

U.S. Department of Justice
Office of the Attorney General

1989 Annual Report of The Attorney General of the United States



COMPLETED

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Foreword

To the Senate and the House of Representatives
of the United States of America in Congress Assembled:

Ensuring justice for all Americans requires our constant vigilance.

This Annual Report highlights the many varied activities of the Department of Justice during Fiscal Year 1989 to enforce federal laws and to ensure the equal administration of justice. During the year, we faced many challenges -- the ruthless, violence-prone international drug cartels, the institution-weakening white-collar criminals, the emerging organized crime syndicates, our growing prison population, our porous borders and the hate-crime activists.


I am proud to report that the dedicated, professional lawyers, law enforcement personnel and other workers at the Department are deeply committed to our task and that we are making headway in our efforts. Chief among them is to ensure what I believe is the first civil right of all Americans -- to be free from fear in our homes, on our streets and in our communities.

As this report documents, we have also sharply increased our commitment to enforcing the civil rights, environmental protection and antitrust laws; to protect the courts; to oversee legal immigration and to control illegal entry into the country.

This report is organized in chapters based upon our major priorities. The size of the Department and the scope of our activities prevents the compilation of an exhaustive catalog of our activities.

On behalf of the Department's 77,000 employees, I present this report to you and the citizens we serve.

Respectfully submitted,

A large, stylized handwritten signature in black ink, which appears to read "Dick Thornburgh". The signature is written over the typed name and title.

Dick Thornburgh
Attorney General

Chapter I - Countering Illegal Drug Activity

In keeping with President Bush's commitment to end the "scourge" of illegal drugs, narcotics law enforcement was at the top of the Department's priority list during 1989.

- The Department convicted over 15,000 persons on illegal drug charges.
- Drug-related asset seizures by the Department reached approximately \$1 billion, including the seizure of over \$74 million in U.S. currency from the drug cartels.
- International cooperation expanded in the Andean region of South America, Mexico, Europe and in the Pacific region.
- On behalf of the United States, Attorney General Dick Thornburgh signed the United Nations Anti-Drug Convention to further increase international cooperation against the drug cartels.
- Legislation passed by the Congress provided the Department with a supplemental \$330.4 million, bringing to approximately \$2.5 billion the amount of Federal funding going into the Department's drug war.
- The Attorney General provided a comprehensive, first-of-its-kind report to the President on drug trafficking, based on reports filed by the 93 U.S. Attorneys.
- In addition to its law enforcement activities, the Department also increased its efforts to reduce the nation's demand for illegal drugs by participating in several public awareness and education programs such as the Drug Abuse Resistance Education Program (DARE). Initiated by the Los Angeles Police Department to train police officers to teach a structured anti-drug curriculum in school classrooms, DARE has been expanded by the Department and is now being taught in all 50 states reaching three million children each year.

Nearly all Justice components contributed directly or indirectly to the overall narcotics law enforcement effort. Highlights of Justice accomplishments are described below.

Drug Enforcement Operations

The Organized Crime Drug Enforcement Task Force (OCDETF) Program includes representatives from Federal agencies as well as state and local authorities to target violators who direct, supervise and finance major drug trafficking organizations. During FY 1989, OCDETF cases were responsible for 2,420 convictions. Prosecutions from increased investigative efforts continued to target large-scale drug operations. Working as a team through the OCDETF Program's 13 regional locations, Department components along with other Federal, state and local agencies, made significant contributions to the reduction of drug related crimes during the fiscal year, specifically:

- The Drug Enforcement Administration (DEA), working within the OCDETF program, was responsible for the arrest of over 1,390 Class I and II violators. DEA was also responsible for seizing \$349.8 million in assets, and judicially forfeited over \$32.7 million of these assets.
- INS special agents participated as members of the OCDETF Program in 187 investigations, 90 of them as the lead or co-lead agency during FY 1989. These investigations resulted in the seizure and/or forfeiture of more than \$31 million. Drug seizures included 551.98 kilograms of cocaine, 23 kilograms of heroin, 10.75 tons of marijuana, 300 vials of crack, and other substances. INS agents arrested 1,825 aliens involved in illegal drug activities.

- In the U.S. Attorney's Office for the Eastern District of New York, an OCDETF investigation, code-named "Operation White Mare," resulted in the largest heroin seizure in U.S. history.

The U.S. Marshals Service (USMS) refined and expanded a new approach in its drug fugitive program: the Warrant Apprehension Narcotics Team (WANT), which began on a pilot basis in FY 1987. Operation WANT is an intensive effort by investigators to track down major drug fugitives. In 1989, more than 100 USMS investigators conducted WANT II for 10 weeks in seven U.S. cities - El Paso, Galveston, New Orleans, Mobile, Tampa, Miami, and Jacksonville. The results included a total of 249 arrests, including 218 **major** narcotics fugitives; 402 narcotics warrants cleared; and action initiated against eight fugitives found

outside the United States. Twelve of the drug traffickers arrested had been at large for at least eight years.

The Drug Enforcement Administration's (DEA) Special Enforcement Program (SEP) Operation Crackdown is a long-term enforcement support and intelligence gathering project that focuses on crack cocaine trafficking and organized street gang traffickers. This program enhanced the cooperative efforts of Federal, state, and local law enforcement agencies to develop a working model for an effective national enforcement stance against the trafficking of crack cocaine by violent street gangs. It collected information on street gangs trafficking crack cocaine and tracked gang movement in order to assist the enforcement efforts of DEA field divisions. In addition, it conducted crack/gang conferences for Federal,



Deputy Marshals arrest William Martinez in Miami, Florida, during the WANT-II operation.

U.S. Marshals Service Photo

state, and local law enforcement officials in newly-affected or unaffected regions. These conferences provided information on effective enforcement techniques to state and local police agencies.

The Federal Bureau of Investigation (FBI) conducted drug investigations which resulted in over 2,234 felony convictions, and \$45.2 million in forfeited assets. The FBI's Drug Program intelligence efforts have identified approximately 450 major drug organizations currently operating in the United States.

One of the Department's most significant domestic drug operations of the past year was the discovery, in September 1989, of a California warehouse holding the largest cocaine cache in history - 21 metric tons. Investigation linked this cache to a highly sophisticated Mexican drug transportation syndicate operating out of El Paso, Texas. Seized documents and informant information revealed that this syndicate had, over an 18-month period, delivered 60 metric tons of cocaine to U.S.-based operatives of the Cali and Medellin drug cartels.

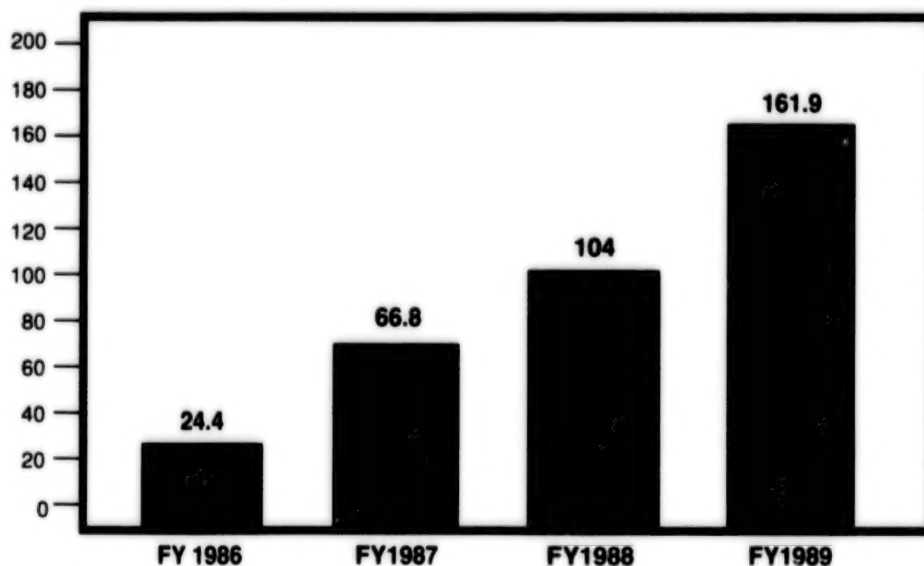
The Department's drug enforcement operations were not limited to domestic missions. During FY 1989, the Department worked closely with law enforcement authorities of foreign nations as well as United States Federal, state and local law enforcement officials in cooperative efforts designed to curtail the flow of illegal drugs into the United States. They are covered in Chapter IX, "International Cooperation."

Asset Seizure and Forfeiture

The Federal law enforcement strategy against illegal drugs involves stripping away the ill-gotten assets of the drug trafficking organizations. The value and number of assets seized by the Department grew dramatically during the past fiscal year. DEA asset seizures alone totalled \$973.7 million representing an increase of 31 percent over FY 1988.

As part of a continuing effort to improve the management of this important and fast-growing program, in September 1989 the Attorney General announced the creation of a new Executive Office for Asset Forfeiture in the Office

**Distribution of Justice Assets Forfeiture
Funds to State and Local Agencies
Participating in Federal Cases
1986 - 1989**



Source: U.S. Marshals Service

of the Deputy Attorney General. The Executive Office was charged with the responsibility for overall direction and management of the Department's forfeiture program.

Profits from asset seizures and forfeitures generated income for the support of law enforcement agencies, thus using criminals' money to help fight crime. Items which could be used for investigative purposes were forfeited for use by the Department's law enforcement agencies. Other items were transferred to the U.S. Marshals Service for management and disposal through the National Asset Seizure and Forfeiture Program (NASAF). Money realized from the disposition of seized and forfeited assets was deposited in the Justice Assets Forfeiture Fund. The Fund financed seizure and management costs that otherwise would have been paid by Federal agencies.

The Department transfers seized and forfeited cash and property to participating state and local agencies under what is called the "equitable sharing program." This program has been embraced by state and local law enforcement agencies and supported by the Department to foster strong working relationships with these agencies. Each year since 1986 the percentage of net income shared with state and local agencies has increased and 1989 was no exception. During 1989 the amount of cash and property transferred jumped almost 50 percent to a new high of \$161.9 million.

Domestic Drug Production

The Department continued its effort to combat the domestic production of illicit drugs. The Drug Enforcement Administration (DEA), working with the Bureau of Alcohol, Tobacco, and Firearms, the Bureau of Land Management, the U.S. Customs Service, and the National Guard as well as state and local authorities, served warrants on three indoor cannabis-growing facilities and surfaced the largest sinsemilla production operation ever detected in the U.S. Over 9,500 plants were seized, along with 250 kilo-

grams of processed sinsemilla.

The Domestic Cannabis Eradication/Suppression Program is an ongoing cooperative effort involving DEA, other Federal agencies and 52 local agencies covering 48 states. Fiscal year 1989 figures indicate that 5.5 million cannabis plants have been eradicated and \$20 million in assets seized under the auspices of this program.

Another cannabis eradication effort involved the DEA's SEA Green Merchant which took aim at traffickers in the Netherlands selling high-grade cannabis seeds through the international mail, thus contributing to the proliferation of high-quality marijuana cultivation within the United States. Results included over 400 arrests and the seizure of over 900 kilograms of processed marijuana, more than 48,000 sinsemilla plants, and over \$9 million in trafficker assets.

DEA agents seized a total of 790 clandestine laboratories in FY 1989, 79 percent of which produced methamphetamine. In addition, the DEA conducted training for 654 state and local law enforcement officers in drug task force operations, clandestine laboratory investigations, and asset removal investigations. It also provided training for over 3,600 state and local officers in basic drug investigation and marijuana eradication techniques.



Marijuana plants targeted by the Domestic Cannabis Eradication/Suppression Program.
Drug Enforcement Administration Photo

Drug Demand Reduction Activities

During FY 1989, the Department supplemented its primary duty of reducing the supply of illegal drugs through enforcement efforts with drug demand reduction efforts. By working within the law enforcement community and with citizens in communities throughout the United States, Department components participated in many programs aimed at reducing the demand for drugs through education and public awareness.

The Drug Enforcement Administration (DEA) joined with the Phoenix Police Department and other law enforcement agencies to design, develop, and implement a user accountability program in Arizona which has proven to be one of the most successful in the United States. Further, in FY 1989, DEA expanded its Drug-Free Business Strategy and continued its Sports Drug Awareness Program.

Recognizing the importance of keeping our young people drug-free, several of the Department's drug abuse education programs targeted youths. One significant demand reduction activity is the Drug Abuse Resistance Education Program (DARE) which was started by the Los Angeles Police Department. The Department's Office of Justice Programs (OJP) has continued to support and expand this program in which police officers are trained to teach a structured anti-drug curriculum in school classrooms. Over 1,000 law enforcement officers from across the country received DARE training through the Regional Training Centers in 1989. DARE is now taught in all 50 states by over 4,400 officers, reaching approximately 3 million children each year.

Support for the National Crime Prevention Campaign has enabled McGruff, the Crime Dog, to continue in his mission to "Take a Bite Out of Crime." Over \$50 million worth of free public service advertisements featuring McGruff were aired this fiscal year. These advertisements were directed at children and their parents.

The Office of Juvenile Justice and Delinquen-

cy Prevention (OJJDP) worked with the Boys Club of America to determine the most effective approaches for establishing boys and girls clubs in public housing projects, as a way of offering at-risk youth positive alternatives to drugs and crime.

The United States Attorneys' Offices (USA) continued to be involved in drug demand reduction activities during FY 1989, participating in a two-day demand reduction conference prefacing the annual USA's Conference, held in San Antonio, Texas in September 1989. USA demand reduction activities included working with local schools.

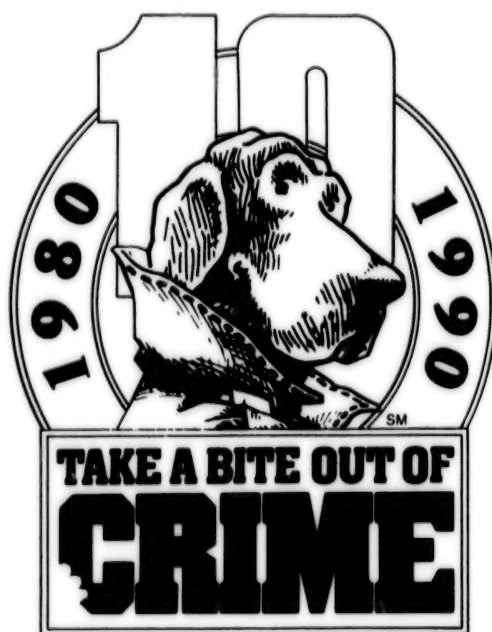
The USA's office in the Northern District of New York initiated Operation Cooperation (Op-Cop) as part of Project LEARN (Law Enforcement Awareness and Resource Network), which attempted to change law enforcement philosophy regarding drug demand reduction. The USA's office in the Eastern District of Washington is active with the Greater Spokane Substance Abuse Council, a community-wide network of citizens and organizations who work together to reduce alcohol abuse and eliminate illegal drug use. In the Eastern and Southern Districts of Texas, youth and police members who are active in LECC/DEA-sponsored demand reduction presentations participate in a voluntary youth drug testing program. Students agree to undergo weekly random drug tests to reduce drug experimentation among youth and to promote positive peer pressure for non-drug use.

In addition to participating in the National Red Ribbon Campaign, several other drug demand reduction initiatives were undertaken by the FBI in FY 1989. Included in these efforts were: radio and TV public service announcements featuring athletes and targeted toward youths; an appearance by the FBI Director and the DEA Administrator on the National Association of Broadcasters "Telejournal" Program publicizing the efforts of the FBI and DEA in the area of drug prevention education; and the unveiling by the FBI Director and representatives of the American Amusement Machine Associa-

tion of video games bearing the warning "Winners Don't Use Drugs," with the FBI seal and the Director's name.

The Immigration and Naturalization Service (INS) Border Patrol established a program in fiscal 1987 to reduce demand for drugs through education, using agents with drug-sniffing dogs

to give demonstrations in local schools. The program expanded to all sectors in 1988 and continued in 1989 with presentations using dogs, robots, video tapes, posters, and pamphlets. By the end of fiscal 1989, the demand reduction teams had given 10,887 presentations for more than one million persons nationwide.



Chapter II: White Collar Crime

White collar crime violations represent no less serious a threat to our society than other more visible criminal activities. "Crime in the suites" threatens the public trust in our financial, business, and public institutions. During 1989, the Department continued work on and initiated new efforts to uncover fraudulent activities and corruption in the savings and loan industry, the securities and commodities field, defense procurement, and Department of Housing and Urban Development (HUD) programs, as well as those of business institutions.

White Collar Crime

Financial institution fraud cases are tremendously difficult to investigate and prosecute successfully. White collar crime — "crime in the suites" — cases differ from cases concerning street crime or other more visible types of crime, in that the evidence is often deeply hidden under a facade of legitimacy. Often, exhaustive investigations must be conducted before a determination that a crime has been committed can be made. The Department's commitment to combatting this insidious crime is demonstrated by its record. By the end of 1989, the FBI had recorded 2,174 convictions and pretrial diversions, and over \$455 million in fines, recoveries, and restitutions in financial institution fraud and embezzlement investigations.

The Department's Dallas Bank Fraud Task Force has proven to be a very effective strategy in the investigation of financial institution fraud. Established in August 1987, this multi-agency task force approach combines the resources of the FBI, Internal Revenue Service (IRS), Federal Bank Examiners, the Department of Justice Criminal Division Fraud Section, and United States Attorneys' Offices, in a team effort to investigate financial institution fraud. The Dallas Task Force has successfully investigated and prosecuted several former high-ranking savings and loan officials and the Department sees it as a model to be duplicated by other task forces across the nation.

During FY 1989, the Dallas Bank Fraud Task Force obtained 16 indictments, 22 convictions of 25 defendants charged, with only 3 acquittals, and more than \$2.5 million in ordered restitution as part of the Department's ongoing investigation of fraud in the savings and loan industry.

In February 1989, President Bush presented to Congress the Department's request for additional resources to address the savings and loan problem. This request sought a \$50 million increase in appropriations to investigate and prosecute savings and loan fraud. The increase in appropriations was enacted late in 1989 and will be used as part of an effort to double the number of Federal prosecutors, FBI agents, and support personnel in task forces in 27 cities across the nation where these additional resources are most needed.

Investors in the securities and commodities markets have been robbed of hundreds of millions of dollars annually by white collar criminals who operate through deceit, concealment or breach of trust beneath a veneer of legitimacy and respectability. In response, last year the Department aggressively pursued securities fraud by establishing Securities and Commodities Fraud Task Forces in nine Federal districts to add prosecutors and an enhanced coordination mechanism to address securities fraud. These task forces have continued to build on the important work done in the Southern District of New York and the Northern District of Illinois. In an undercover Federal Bureau of Investigation (FBI) investigation of fraud in the trading pits of Chicago's commodity exchanges, 46 traders from the Chicago Board of Trade commodity futures exchanges were indicted for fraud as a result of the 30-month investigation into commodities trading.

In the Southern District of New York, investment bankers Drexel Burnham Lambert pleaded guilty to committing criminal and civil securities and mail fraud, paying a record \$650 million in fines and penalties as a result of the Department's most massive investigation into securities

fraud. Also in the Southern District of New York, the Princeton-Newport case resulted in a guilty verdict against six defendants on 63 counts of racketeering, securities, tax, mail and wire fraud. The case represented the first use of the RICO statute to prosecute securities fraud.

Public Corruption

During FY 1989, the Department continued to battle public corruption and breaches of public trust by Federal, state, and local officials, as well as private sector violators.

The Department's Criminal Division obtained the indictment of United States District Court Judge Robert P. Aguilar of the Northern District of California on charges of conspiracy, obstruction of justice, and racketeering. Other cases against Federal judges handled by the Criminal Division in previous years resulted in the impeachment and removal from office by the United States Congress of former District Judge Alcee L. Hastings and former District Judge Walter Nixon. The Division provided substantial assistance to the Congress in preparing for the two impeachments.

The Criminal Division obtained a five-year sentence of imprisonment against a former Agency for International Development official convicted of systematically embezzling over \$1 million from his agency over a period of several years. It also obtained the conviction of former Senate staffer Ladd J. Anthony, who had solicited payments from constituents in exchange for his assistance as a congressional staffer.

The Criminal Division continued efforts to fight the phenomenon known as "rainmaking," a practice whereby corrupt lawyers and others represent falsely to litigants in Federal court that they can influence their judge if the litigants will pay them a bribe, which they will split with the judge. The Division obtained the indictment of Leo Greenfield, a lawyer in Miami, Florida, for soliciting such payments from a convicted defendant, falsely representing that he could obtain a reduced sentence from a Federal judge.

The FBI's Public Corruption program achieved 459 convictions and pretrial diversions, and \$32.2 million in fines, recoveries and restitutions during the fiscal year.

Public corruption litigation successes continued in the United States Attorneys' offices. In the Southern District of West Virginia, the former President of the West Virginia State Senate, Daniel R. Tonkovich, pled guilty to a Hobbs Act extortion of \$5,000 in 1986 from a corporation which was seeking to legalize casino gambling in West Virginia. He is required to provide truthful testimony in the ongoing probe of corruption by members of the West Virginia Legislature and has been sentenced to five years. In the Northern District of Georgia, former Rep. Pat Swindall was sentenced to a year in prison and fined \$30,000 for lying to a grand jury about his knowledge of a money laundering scheme. In the Northern District of Illinois, former aide to the late Mayor Harold Washington, Clarence McClain, and former Cook County Circuit Court Clerk, Morgan Finley, were convicted for taking bribes from a con man claiming to seek preferential consideration in the awarding of city contracts. The convictions cap Operation Incubator, a five-year investigation into corruption at City Hall; a total of fifteen individuals were convicted, most of them public officials.

The Antitrust Division attacked white collar crime by specifically targeting collusion among industries that sell goods and services to the U.S. Government. During fiscal year 1989, nineteen cases were filed involving government contractors. By the end of the fiscal year, 3,792 days of incarceration were imposed and fines and recoveries totaled \$10.3 million. The Division's investigative effort in this area is continuing, with 35 grand juries under way as of September 30, 1989.

Defense procurement fraud cases which involve numerous Fortune 500 corporations, defense contractors, and officials at all levels of government, continue to be vigorously pursued by the Department. "Operation Illwind" a joint

FBI, Naval Investigative Service, and United States Attorney investigative effort into alleged bribery of Department of Defense (DOD) officials by private consultants seeking information on Government defense contracts and other fraudulent activities in defense procurement achieved its first indictments during FY 1989. By the end of the fiscal year, 26 had been convicted or had entered into agreements to plead guilty. The financial recovery to the government is expected to be in the hundreds of millions of dollars.

The Department targeted defense contractors engaged in activities involving misuse of government contracts, overcharges, defects, false testings, and other fraudulent activities. During FY 1989, Department efforts led to the recovery of millions of dollars in fines and restitution owed to the Federal government. The FBI recorded 142 convictions and pretrial diversions, and \$214.5 million in fines, recoveries and restitutions in other DOD-related investigations. The United States Attorney's Office for the District of New Jersey reached a settlement with the Curtiss-Wright Flight Systems Inc. of Fairfield. Curtiss-Wright agreed to pay the Federal government almost \$1.4 million to settle a claim that it knowingly overcharged the U.S. Air Force for spare parts for the C-5A transport plane. In the United States Attorney's Office for the Northern District of Illinois, a \$115 million settlement was reached with the Sunstrand Corporation for cost mischarging and the payment of gratuities on defense contracts.

Department of Housing and Urban Development (HUD) fraud matters were a white-collar crime priority. During the past year, Department investigative efforts, in close cooperation with the Office of the Inspector General, HUD, have been concentrated in detecting and addressing fraud and corruption in the single and multifamily housing programs. The FBI recorded 134 convictions and pretrial diversions, and \$7.6 million in fines, recoveries and restitutions in HUD-related investigations. The United States Attorneys' Offices filed 349 indictments in HUD

fraud cases during the fiscal year. In one particular case, Marilyn Louis Harrell, a suburban Maryland closing agent for HUD, was indicted in Maryland for allegedly embezzling approximately \$6 million from HUD. This case, known as "Robin HUD", was the first major HUD fraud case under the current Administration's focus on HUD fraud. The Department's Criminal Division obtained 11 convictions of 12 defendants through the Oklahoma City Financial Crimes/Department of Housing and Urban Development Fraud Task Force. The Criminal Division also prosecuted the highest-ranking HUD official ever convicted, former HUD Deputy Assistant Secretary DuBoise Gilliam, on charges of receiving illegal gratuities in connection with HUD grants he approved.

Tax and Other Fraud Cases

The Criminal Division prosecuted successfully former PTL president James O. Bakker, and obtained a guilty plea from former PTL vice president Richard W. Dortch. Both were convicted on fraud and conspiracy charges which stemmed from a joint Tax Division, Criminal Division, and U.S. Attorney 16-month investigation into the PTL television evangelism organization. Also, the Tax Division's Criminal Enforcement Section obtained the convictions of James H. Taggart and David A. Taggart, key players in the PTL scandal, who attempted to avoid paying tax on \$1.2 million. The Taggarts were each sentenced to prison terms of over 18 years.

The Tax and Criminal Divisions were also successful in obtaining the conviction of presidential candidate Lyndon LaRouche, Jr. and six of his fund-raisers for mail fraud and conspiracy to impede, impair and obstruct the Internal Revenue Service. Mr. LaRouche was sentenced to 15 years in prison.

The Criminal Division initiated the first prosecution under the Federal computer crime statute with the indictment of former Cornell

graduate student Robert Tappan Morris for accessing and disrupting the operation of a computer used in interstate commerce.

The Criminal Division convicted, after a jury trial, the former president of a large coal-mining company in West Virginia and his wife and former executive secretary on mail fraud charges. The three had overseen a scheme through which fraudulent billings were used to generate funds that were in turn used for political payoffs. This case resulted from a long-term, continuing investigation into corruption in West Virginia.

The Department endorsed the prosecution and incarceration of white-collar criminals as a powerful deterrent to concerted anticompetitive

conduct. The Antitrust Division's (ATR) criminal enforcement activities involved prosecution under the Sherman Act of bid rigging, price fixing, and market allocation, leading to the incarceration of those involved. Investigations involved numerous industries, with enforcement actions successfully completed in the soft drink, milk, public auction, concrete block, ductile iron pipe and electrical contracting industries, among others. The soft drink investigations were particularly widespread, resulting in 24 grand juries throughout the country. To date, almost \$15 million in fines have been assessed against 17 soft drink bottlers. In FY 1989, fines and recoveries totaled approximately \$31.6 million and 7,473 days of incarceration were sentenced.

Chapter III: Organized Crime

Organized crime groups continued to rely on corruption and violence to achieve their criminal goals during the past year. Their criminal pursuits were broad based and involved many different forms of illegal activity, ranging from drug trafficking and distribution to the corruption of labor racketeering organizations. To counter this everpresent threat, the Department recommitted itself to the fight against these groups by making organized crime investigations and prosecutions one of its highest priority areas.

The FBI's Organized Crime Program (OCP) worked toward the elimination of La Cosa Nostra (LCN) and other organized crime groups as significant threats to American society by directing an intensified attack upon these elements. This was done through the use of the "Enterprise Theory of Investigation", coordinated criminal and civil Racketeer Influenced and Corrupt Organizations (RICO) investigations and prosecutions, and employing a multi-divisional approach to address the criminal interaction and conspiratorial activities of the LCN families. The FBI's OCP accomplishments in FY 1989 included 640 convictions and 20 civil RICO judgments.

La Cosa Nostra

The Department continued to focus on the largest organized crime group in the country, La Cosa Nostra (LCN), literally "Our Thing." Founded in the 1930's, there are currently 25 known LCN families. The elimination of labor racketeering by La Cosa Nostra remained a high departmental priority for FY 1989. Of paramount importance was the culmination of the FBI's civil RICO investigation into the LCN's domination of the International Brotherhood of Teamsters. The Federal court issued injunctive relief designed to return this union's control to its membership. Also notable was the virtual decimation of the Philadelphia LCN family resulting from the life imprisonment sentences imposed following the conviction of the boss and seven members for murder.

Other Organized Crime Groups

Other organized crime groups have emerged with the decline of La Cosa Nostra. Many of these "new" organized crime groups are ethnically based such as the Chinese Triads, Japanese Yakuza, and the Jamaican "posses," others originated in the streets of U.S. cities, such as the Los Angeles street gangs, the Crips and the Bloods. Highlights of the Department's efforts to control the growth of these crime groups include:

- The Criminal Division distributed a detailed report on activities of Asian organized crime groups to appropriate Federal, state and local law enforcement agencies. In response to the report, the Criminal Division launched an interagency initiative in five cities where the activities of these groups are most widespread.
- The Attorney General reported on drug trafficking organizations including: Asian organized crime groups, Jamaican Posses, Outlaw Motorcycle Gangs, California Street Gangs, and other domestic drug trafficking organizations. The report entitled, "Drug Trafficking: A Report to The President of the United States," dated August 3, 1989 was produced from reports compiled by the 93 U.S. Attorneys Offices.
- In the U.S. Attorney's Office for the Southern District of Florida, an indictment of 34 members of the Jamaican "Shower Posse" (*U.S. v. Vivian Blake*) represented the first time a Jamaican drug gang had been indicted in the U.S. as an "enterprise" under the RICO statute. In an effort to disrupt the crack trade in the Western District of Virginia, 13 agencies joined forces in "Operation Sunset," targeting Jamaican drug gang members. In six weeks, the effort generated 130 arrests and the seizure of 25 vehicles and \$200,000 in cash.

- The Drug Enforcement Administration (DEA) Special Enforcement Operation (SEO) Jamaican Posse, provided various field divisions with case-specific funding and intelligence information. This SEO supported nine investigations in four DEA field divisions. A system is being developed to identify and track Jamaican traffickers and trafficking groups.
- DEA's Operation Crips is a significant SEO due to the fact that the Crips street gang and its many "sets" are the largest and most violent gang group operating in the U.S. The Crips are currently established to some degree in every state. DEA, the El Paso Intelligence Center, and the Bureau of Prisons are working together to gather and list information on arrested gang members. It is anticipated that this type of information will directly affect the movement of, and the law enforcement response to, the various Crips street gangs.

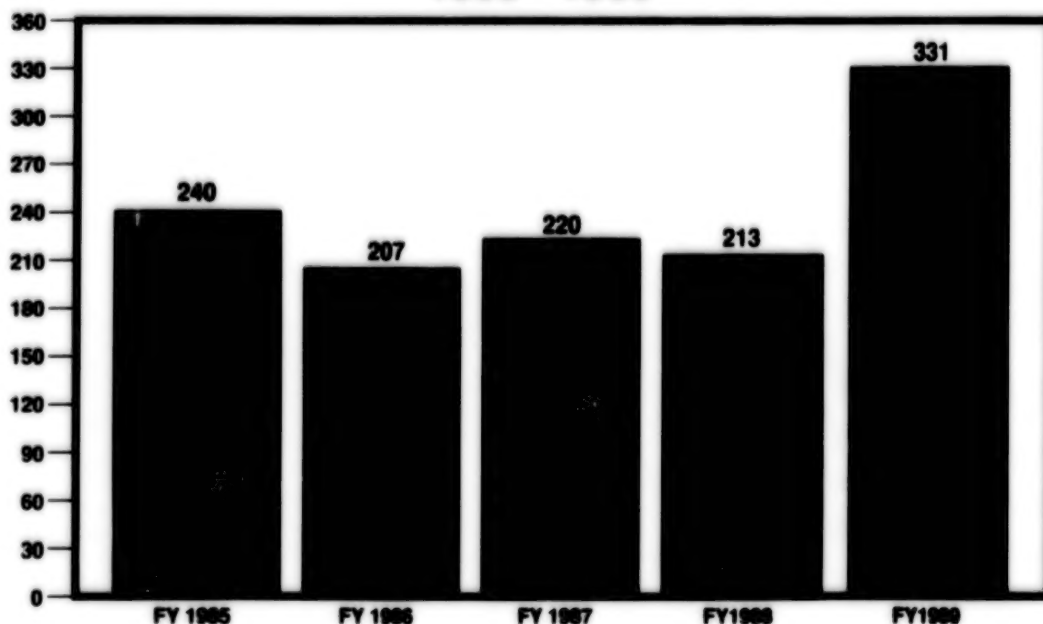
- Operation Bloods is a DEA SEO operation directed at the Bloods street gang. It has supported several division gang investigations that have targeted crack/gang activities. Information is being gathered by this operation to support a data-type intelligence system that would supply up-to-date information on gang members, smuggling routes, etc.

Judicial and Witness Security

The U.S. Marshals Service was responsible for the security of more than 560 Federal court facilities in FY 1989. Deputy Marshals also provided security for members of the judiciary and court officials. An increase in high-risk Federal cases, notably drugs and organized crime, prompted tighter security measures. "Sensitive" trials requiring special security grew sharply in FY 1989 - a total of 239, up 33 percent from the previous year.

The number of sequestered juries needing special security measures also rose. There were

Threats Against the Judiciary 1985 - 1989



Source: U.S. Marshals Service

52 such juries, an increase of 63 percent from the prior year. Threats against the Federal judiciary climbed significantly during the year, a total of 331 threats that represented a 55 percent increase over FY 1988. Those threats against the judiciary led to the creation of 93 personal security protective details, a 35 percent increase from the previous year. Special protective details for Federal judicial conferences also grew - a total of 49 details, or 36 percent more than in FY 1988.

During the fiscal year, no Federal judicial officer was harmed while under protection initiated by a threat, no trial or other court proceeding was thwarted, and no prisoner successfully escaped from court.

A key to the government's successes in prosecuting drug and organized crime cases is the Witness Security Program, which is operated by the Marshals Service. It is credited with

being the most effective way to obtain crucial testimony against drug traffickers and organized crime leaders. The USMS protects endangered witnesses, gives witnesses and dependents new identities, moves them to new locations, and helps them to become self-sufficient. The program is invaluable: over recent years, 4,016 defendants were convicted in cases where protected witnesses testified, a success rate of 88 percent.

A total of 257 principal witnesses entered the program in FY 1989. There has been a dramatic shift over the past few years in the type of individual entering the Witness Security Program. The traditional organized crime figure is no longer the norm. Rather, today about 80 percent of the witnesses are involved in drug-related cases, a reflection of the national emphasis on these crimes.

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Chapter IV: Litigation Priorities

Litigation priorities covered a wide range of subject matters during 1989. Cases involving environmental, civil rights, and obscenity and pornography concerns had substantial impacts. Civil cases, including civil, antitrust and tax enforcement, resulted in the recovery of substantial amounts of money. Additional litigation activity resulted from the Department's roles as defense counsel in suits against the government and as the government's appellate counsel.

The Environment

Fiscal year 1989 was a banner year for civil enforcement of environmental statutes. As the Department's lead component in environmental violations, the Land and Natural Resources Division (LDN) recovered over \$117 million in costs expended by the Superfund and forced defendants to undertake various cleanup activities valued at over \$645 million. The combined value of cost recovery and injunctive relief was more than twice as high as any preceding year. Nearly \$30 million was assessed in civil penalties in litigation under the Clean Air Act, the Clean Water Act, and the Resource Conservation and Recovery Act. In the largest single settlement ever obtained by the United States against one entity for violation of a Federal environmental statute, Texas Eastern Transmission Corporation agreed to pay a \$15 million civil penalty and perform work at 85 sites located in fourteen states at an estimated cost of \$400 million. In a major enforcement initiative, suit was filed against a substantial number of cities and municipalities for violating the Clean Water Act by failing to control industrial discharges of toxic waste waters into their sewage treatment systems.

The Department won several important victories in wetlands enforcement actions, both criminal and civil, which furthered the Administration's "no net loss" policy for these natural resources. In two cases, the defendants were held liable for substantial civil penalties and restoration of the affected areas to their pre-fill condition. Prison sentences and fines were or-

dered in two other cases involving illegal fill activities. In another case, a court for the first time ever ordered wetlands fill removed on a preliminary basis, recognizing the ongoing harm that such fill causes the environment. All of these judgments send a clear signal that persons who illegally fill or destroy wetlands will incur major costs.

The impact of the Department's prosecution of environmental crimes continues to grow reflecting the Administration's commitment to protecting the environment. During 1989, prosecutions were commenced by indictment or information in 101 cases and the number of guilty pleas and convictions for environmental crimes almost doubled over the previous year. The amount of fines collected was greater than the combined total for the previous two years. In five cases, criminal fines of \$1 million or more were assessed, including a \$2.25 million penalty against Ashland Oil for negligent discharge of diesel oil from a ruptured storage tank.

In a Land and Natural Resources Division case that will impact thousands of Federal employees with direct responsibility for disposing of toxic wastes nationwide, three top civilian managers of the U.S. Army Chemical Research and Development Command at Aberdeen Proving Ground, Maryland, were convicted in the first major prosecution of Defense Department employees for environmental crimes. The convictions were for illegal storage, treatment, and disposal of hazardous wastes, stemming from the dumping of dangerous chemicals into leaking toxic sumps and storing of unlabeled and broken chemical containers in an unlicensed facility.

Civil Rights

Litigation efforts in the area of civil rights focused on housing rights, voting rights, and the rights of the disabled. As a result of the Fair Housing Amendments Act of 1988, the Department's Civil Rights Division has more than tripled its initiation of housing discrimination

cases, filing under every fair housing category, including discrimination against families with children (number of children) and against persons with handicaps. The Department settled two Fair Housing cases in Illinois and Pennsylvania which were based on discrimination against group residences for persons with disabilities. Overall, during FY 1989, there has been a total of 27 Fair Housing Act cases filed as compared to 13 such cases brought in the previous year.

The main focus of the Department's voting rights activity was directed at assuring that electoral systems are free of discrimination thereby allowing racial and language minority voters a fair opportunity to elect candidates of their choice. Through lawsuits brought under the Voting Rights Act, and through objections to voting changes under Section 5 of the Act, electoral reforms were brought in eight states.

Significant activity was also focused on discriminatory bilingual election procedures. As a result of a lawsuit against the State of Arizona and Apache and Navajo Counties, a comprehensive consent decree was entered by the court containing detailed and innovative procedures for translating and disseminating election information orally in Navajo, which is an historically unwritten language. In addition, Federal observers who monitored polling places during New York City's 1989 primary and general election obtained information that will allow the Civil Rights Division to determine the extent to which Hispanic voters there are able to obtain needed assistance in Spanish.

Obscenity and Pornography

The Racketeer Influenced and Corrupt Organizations (RICO) statute provides for injunctive relief to dismantle criminal associations and prohibit their illegal association with infiltrating labor unions and businesses. Consequently, the Department's Criminal Division pursued successfully the convictions of pornography operations as organized crime violations. These successes include:

- obtaining obscenity-based RICO convictions against organized crime associate Donald Epstein's adult bookstore corporation in Washington, D.C.;
- filing a 43-count obscenity-based RICO indictment in Minnesota against Ferris Alexander, the largest dealer of obscene material in the midwest; and
- securing conviction of organized crime associate Rubin Gottesman in Los Angeles for distributing child pornography.

The Criminal Division also obtained convictions of 18 mail-order corporations and 12 individuals charged with distributing obscene material by mail in Project Post Porn, the first nationwide mail-order obscenity investigation targeting producers and distributors of obscenity and sexually-oriented advertisements.

General Litigation

The Civil Division prosecuted numerous cases against trustees of union pension funds, seeking injunctive relief and restitution of funds. The actions of these trustees resulted in significant depletion of union pension funds in violation of the Employee Retirement Income Security Act (ERISA). The Civil Division also asserted the government's creditor rights in loan defaults and major bankruptcies in cases worth billions of dollars. It shut down five major domestic counterfeit steroid laboratories, further enforcing the nationwide crackdown on the blackmarket in illegal steroid drugs. The Civil Division also enforced new laws making distribution of steroids without a prescription a felony, thereby subjecting assets of steroid dealers to forfeiture.

As the "government's lawyer," the Department was involved in a wide range of other litigation matters. For example, civil cases filed in court by United States Attorneys totalled 88,756. Additionally, 4,004 new civil appeal matters were received. In 1989, 45,290 civil cases with a value of \$8 billion were filed against the U.S.

With respect to affirmative civil litigation, the USAs filed 28,603 suits in 1989 with a monetary value of \$1.5 billion. A total of 94,755 civil cases and 3,395 civil appeals were terminated by USAs in 1989. Financial litigation activities by the USAs in FY 1989 resulted in the recovery of \$700,764,239 in actual assets (i.e., cash and property), as well as other recoveries, such as debts brought into paying status and returned to the client agency.

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Chapter V: National Security

The Department's fundamental national security responsibilities remained a high priority during 1989. These responsibilities include three major areas: counterterrorism to prevent terrorist acts, counterintelligence to reduce the threat to national security due to hostile intelligence elements, and national security litigation to maintain the legal boundaries for counterterrorism and counterintelligence activities and to defend national security policies and activities in the courts.

Counterterrorism and Counterintelligence

The Department's counterterrorism and counterintelligence strategies continue to record significant successes. The FBI's Counterterrorism Program achieved a significant accomplishment in combating activities of a major terrorist group. On March 14, 1989, Fawaz Younis, a member of a major terrorist group, was convicted of conspiracy, hostage-taking, and air piracy and sentenced to 30 years in prison. The case marked the first time an individual was returned to the United States to face charges for violating extraterritorial legislation. This also was the first overseas arrest by U.S. law enforcement officials under the so-called "longarm statute" designed to fight international terrorism.

Investigations by the FBI's Foreign Counterintelligence (FCI) Program developed information which led to the expulsion of three foreign diplomats engaged in espionage activities. The FCI Program also had significant success in neutralizing a number of hostile agents.

James W. Hall, III, a U.S. Army Warrant Officer was arrested in a joint FBI/U.S. Army Intelligence and Security Command in December 1988. Hall pled guilty to passing highly-classified signals intelligence information to the Soviet and East German intelligence services. The FBI arrested Hall's co-conspirator, Huseyin Yildirim, who was convicted of espionage and sentenced to life imprisonment for his participation in Hall's activities.

National Security Litigation

The Department's national security litigation efforts successfully defended challenges to activities affecting the national security policies and international interests of the United States.

The Land and Natural Resources Division successfully defended challenges to the government's national security policies by:

- preventing attempts to block the development of a strategic U.S. Navy homeport in New York;
- successfully defending a suit to enjoin the launching of the Space Shuttle, "Atlantis," and the Galileo research spacecraft;
- bringing conspiracy and other charges against nine defendants, including two members of the South African military, for smuggling the horns of endangered rhinoceros into the United States, along with AK-47 automatic machine guns.

The Civil Division's litigation successes included:

- recovering \$3.6 million in funds fraudulently diverted from the United States;
- successfully defending against constitutional challenges to the President's authority to send state National Guard units on overseas training assignments;
- successfully defending against a claim that President Bush's arrangement not to obligate Contra aid funds without the agreement of four Committee Chairmen amounted to unconstitutionality of the Base Closure and Realignment Act.

The Criminal Division expanded its national security litigation efforts by successfully prosecuting four individuals in unrelated cases for violations of the Espionage Act or related statutes. These prosecutions ranged from issues involving highly compartmented, top secret documents concerning signals intelligence to aircraft hijacking, hostage-taking, and robbery.

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Chapter VI: Detention and Incarceration of Prisoners

The natural end result of effective law enforcement investigations and corresponding prosecutions is incarceration for those individuals convicted of a specific crime. The tremendous increase in drug arrests and prosecutions over the past few years has resulted in a rapid and steady rise in the Department's detention and prison populations. The Bureau of Prison's (BOP) inmate population at the end of FY 1989 was 51,153. In a system with a capacity of 31,727, that population level represented a 61 percent overcrowding.

Pre-Sentencing Activities

The U.S. Marshals Service is responsible for the custody, care and transportation of all Federal prisoners pending trial, appeal and commencement of sentence. Persons arrested for violations of Federal law and ordered detained by a judicial officer for production in Federal court proceedings are remanded to the custody of U.S. Marshals. During 1989 the average daily number of prisoners in the custody of the Marshals Service climbed to 13,644 - a 32 percent increase over 1988. This increase created a significant and growing demand for detention bedspace.

State and local jail overcrowding has meant a loss of pre-trial detention space for Federal prisoners, and the relocation of detainees to Federal prisons located hours away from the trial court city. Local jail overcrowding has had serious repercussions on the Federal system and has been a primary cause of the delays and continuances in trials. Because of the jail space problem, Deputy Marshals often had to spend long hours on the road transporting dangerous prisoners.

The removal of persons from the Federal court city before and during trial has also presented hardships and increased workloads on all participants in the criminal justice system, from judges and pre-trial service officers to

defense attorneys and prosecutors. All of these individuals need access to the defendant in order to perform their duties.

The Marshals Service worked to solve detention space shortages in several ways. The success of the Cooperative Agreement Program (CAP) continued during FY 1989. \$8.6 million was awarded to state and local governments to help pay for the construction of detention facilities in return for guaranteed space for housing Federal prisoners. Since its inception in 1983, the CAP program has resulted in the creation of over 4,100 Federal-use detention beds at a cost of \$69.1 million. CAP projects have now been undertaken in 79 Federal court cities located in 56 judicial districts.

The Marshals Service also continued to participate in the Federal Excess Personal Property Program, which allows local governments to use Federal property at no cost to enhance jail services in return for housing Federal prisoners. During FY 1989 over \$1.9 million in excess property was transferred to 111 contract jails in 30 judicial districts.

The Bureau of Prisons (BOP) worked to alleviate the detention space problem by opening pre-trial detention facilities or units in Los Angeles, California; Sheridan, Oregon; and Danbury, Connecticut. BOP also started planning for or constructing future detention facilities in Fort Worth, Texas; Tallahassee, Florida; San Juan, Puerto Rico; Miami, Florida; and Brooklyn, New York. In addition, to supplement the expansion efforts of the BOP, the Department authorized the Marshals Service to develop a contract for the housing of Federal detainees in jail facilities built and operated by the private sector.

Post-Sentencing Activities

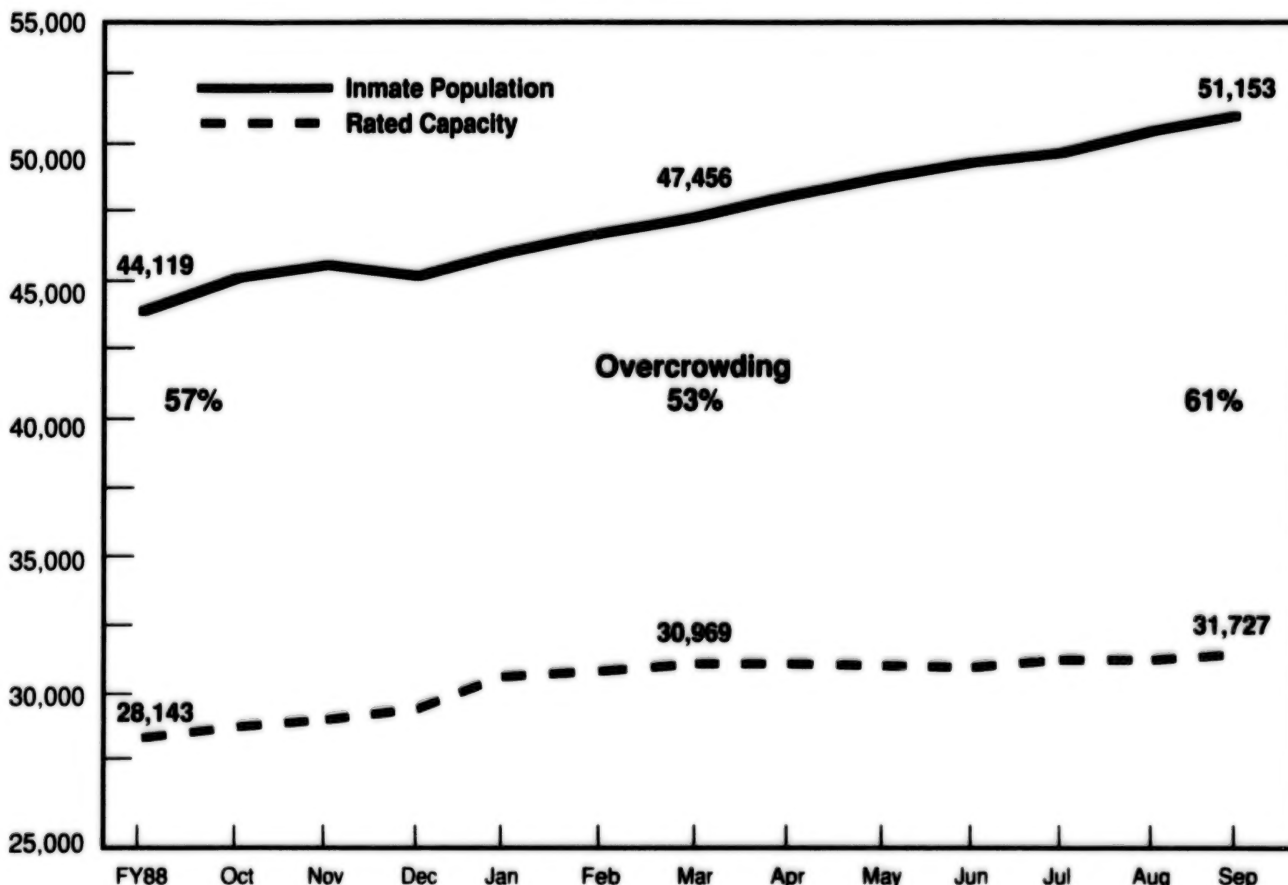
The Bureau of Prisons (BOP) has the responsibility to maintain secure, safe, and humane correctional institutions for sentenced individuals

placed in the care and custody of the Attorney General. The Federal Prison System's inmate population at the end of the fiscal year was 61 percent over capacity. During FY 1989, a total of 43,249 offenders were designated and classified to appropriate facilities and 97,417 cases were reviewed; over 22,000 inmates were maintained in community programs; and over 107,000 inmates were moved throughout the system from one location to another. Continued expansion of the Federal Prison System along with the use of community corrections programs and improved population management efforts by the BOP were key to coping with the situation.

System Expansion

The Bureau of Prisons (BOP) has continued to take the actions necessary to reduce institutional overcrowding to manageable proportions and to ensure that Federal inmates serve their sentences in a safe and humane environment. BOP expansion efforts included increasing the use of contract facilities, expanding existing institutions, acquiring surplus properties, and constructing new institutions. BOP added 3,584 bedspaces during the year.

Federal Bureau of Prisons Population Growth and Capacity Expansion Fiscal Year 1989



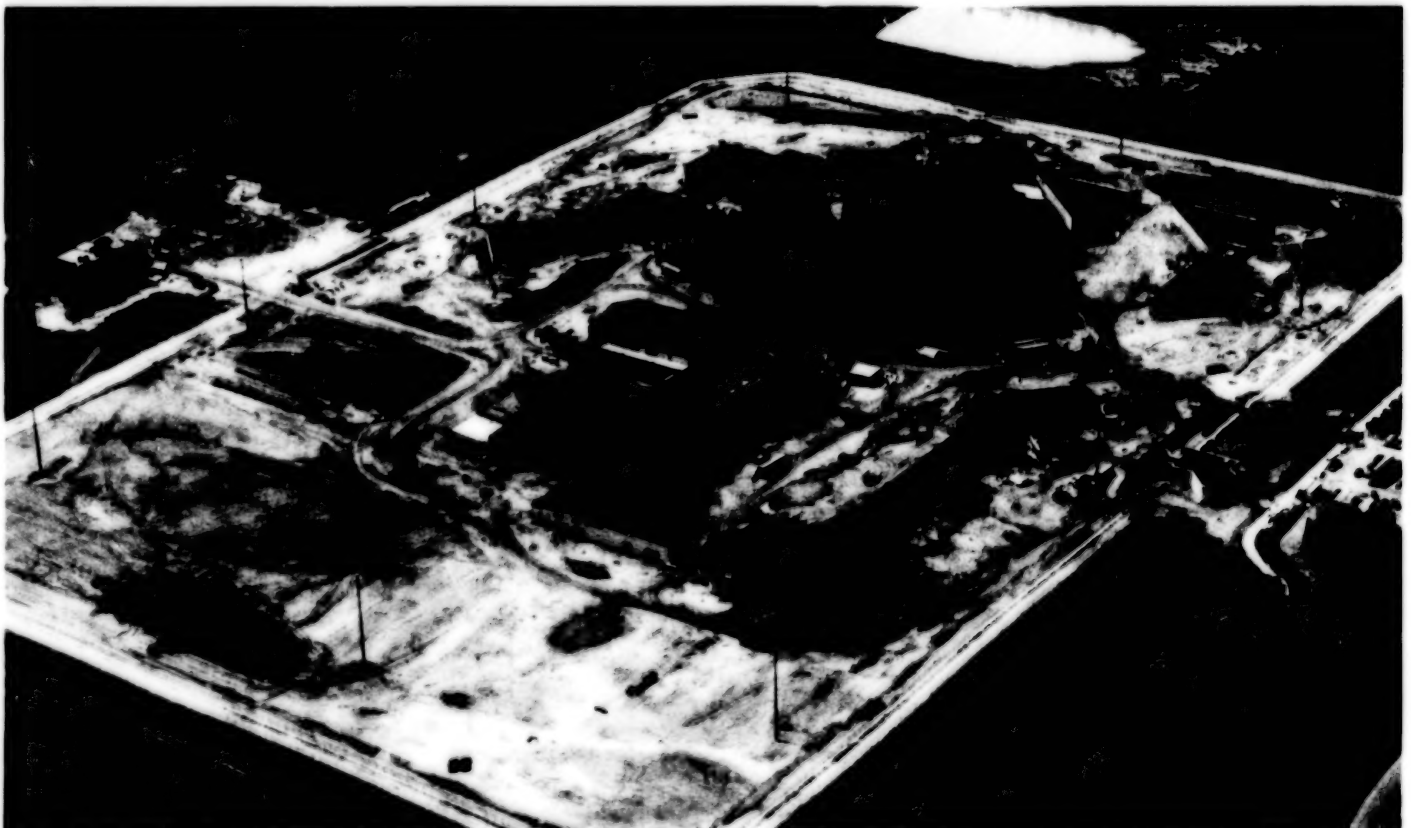
The Bureau of Prisons activated new institutions at the following locations during the past year:

- Federal Correctional Institution with a Satellite Prison Camp
McKean, Pennsylvania
- Federal Correctional Institution with a Satellite Prison Camp
Sheridan, Oregon
- Federal Prison Camp
El Paso, Texas
- Federal Prison Camp
Seymour Johnson, North Carolina

An additional 11 new institutions were under construction or design during the year. These institutions are planned to add approximately 10,500 beds to the capacity of the Federal Prison System in the future.

Population Management

The BOP's inmate classification system, which designates inmates to specific institutions, is vital to the management of the growing number of inmates. The system groups inmates into six security levels, level one being least restrictive and level six the most highly controlled, and matches each inmate assignment to an institution with a like security level. The system incorporates inmate factors such as offense severity, history of escape or violence, expected length of incarceration, and type of prior commitments. Institutional security levels are determined by factors such as type of perimeter security, number of towers or external patrols, detection devices, security housing areas, type of living quarters, and level of staffing. Changes in population patterns and inmates' individual needs required over 100,000 inmate moves during the year.



New prison construction.

Bureau of Prisons Photo

Inmate Financial Responsibility Program

The Inmate Financial Responsibility Program, which is operated by BOP in close cooperation with the Administrative Office of the U.S. Courts and the U.S. Attorneys, continued collection activities during FY 1989. This is a systematic collection program for court-imposed fines, fees, costs, and assessments, which heretofore had remained unpaid in many instances. An inmate's program participation is reviewed each time unit staff review the inmate's case for custody classification, furloughs, half-way house placement, or other changes that involve assessment or responsibility. To date, \$30 million has been collected from 35,000 inmates who have been involved in the program.

Federal Prison Industries

Federal Prison Industries (trade name UNICOR) functions as an important component of the Federal Prison System. The mission of UNICOR is to employ and train inmates through the operation of and earnings from factories producing high-quality products and services for the Federal Government.

Inmate employment and training in UNICOR continues to be a significant factor in the management of prison overcrowding, as well as providing inmates with useful skills, work habits, and an income. UNICOR has aided to reduce inmate idleness and has increased education and training opportunities to the inmate population in preparation for eventual return to society.

Average monthly UNICOR employment during the year was over 13,370. Total UNICOR sales for FY 1989 were \$373 million and factory earnings were \$42 million - both new high marks. UNICOR earnings for FY 1989 funded over \$11 million for inmate vocational training programs and inmate performance pay.

Community Corrections Programs

The Bureau of Prisons community corrections activities grew in numbers of inmates, scope of programs, and responsibilities during the past year. This expansion was fueled to a large degree by the prison overcrowding problem. Community-based residential programs available during 1989 included both typical community corrections centers and local detention facilities. These programs provided the offender with a temporary residence, structured programs, job placement assistance, and counseling. They also provided drug/alcohol testing and monitoring services to those offenders in need of such services.

Over 6,000 offenders per day were housed in community-based residential programs and contract detention facilities during FY 1989. The average per capita cost for inmates in residential programs was \$27.41/day as opposed to \$43.50/day for those in detention facilities.

The BOP and the U.S. Parole Commission (USPC) worked together on a number of innovative corrections initiatives designed to move parolees from institutions to their communities, specifically:

- **Curfew Parole**

During FY 1989 the USPC continued its special curfew parole program which was first implemented in March 1986, a joint effort with the Bureau of Prisons and the Probation Division. The program provides a substitute for community corrections center residence for the 60-day period preceding the otherwise scheduled parole release date. Under this program, qualified and approved prisoners have their parole release dates advanced on the condition that they remain at their place of residence between the hours of 9PM and 6AM each night unless given

permission in advance by the supervising U.S. Probation Officer. The Probation Division provides high activity supervision of the parolee including at least weekly contact, as well as monitoring compliance with this condition by random, periodic telephone contacts. The program has thus far saved the Bureau of Prisons over \$4 million. Less than three percent of individuals have been revoked for violations occurring while on curfew parole.

- **Community Control Project**

The USPC also continued its community control project which was initiated in 1987 as a joint venture with the Probation Division and the Bureau of Prisons. The program involves electronic monitoring of parolees to ensure compliance with a curfew combined with an increased level of personal contacts between the parolee and the supervising Officer. Under this program, selected low-need offenders are released directly to the community up to 180 days prior to the parole date established by the parole guidelines.

- **Intensive Supervision Program**

In July 1988 the Parole Commission and the U.S. Probation Office for the District of Maryland began a cooperative study to test the impact of intensive supervision for high-risk parolees, primarily drug users. The program examines the feasibility of using a supervision coverage that is typically not possible with the resources presently available to the Probation Division. There are at least two personal contacts per week, including at least one at the parolee's residence, where needed emphasis is placed on making community resources available, i.e., job placement, drug treatment and mental health counseling.

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Chapter VII: Immigration and Border Control

In its efforts to meet the goals of immigration reform, the Department's Immigration and Naturalization Service focused its efforts in 1989 on implementation of employer sanctions and effective enforcement. At the same time, INS, along with other Department components, responded to the challenge of increasing needs for immigration services, including the handling of refugee and asylum claims.

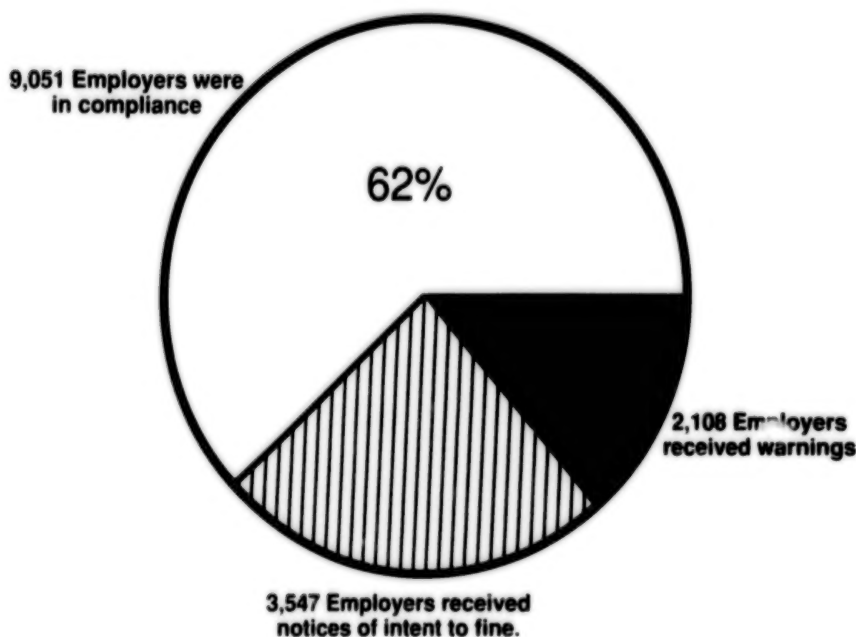
Employer Sanctions

The Immigration and Naturalization Service has built upon the employer education campaign

created in 1988 by increasing sanctions enforcement and investigations of employers. The INS conducted 9,588 such investigations and made 5,118 compliance inspections in 1989. For violations found as a result of these actions, INS issued 2,108 warnings and assessed fines totalling almost \$13.2 million against 3,547 employers. Many of the fraud investigations targeted aliens and vendors who used or sold false documents to evade employment verification provisions of the law. The Department's Civil Division also successfully defended the first major court cases challenging the employer sanctions provisions of the Immigration Reform and Control Act (IRCA).

Employer Sanctions

FY 89 Enforcement Results



14,706 Employers Investigated or Inspected

Source: Immigration and Naturalization Service

Apprehensions and Removals

The Border Patrol began FY 1989 with its largest force in history, with 3,749 agents on duty. With this strength, and with improvements in equipment such as 13 new truck-mounted night vision devices, the Border Patrol made more efficient use of personnel in critical areas and effectively carried out three border enforcement tasks: controlling illegal entry, enforcing employer sanctions, and interdicting drugs.

During FY 1989, the Border Patrol apprehended 854,939 illegal aliens along the southern border, marking the second straight year of fewer than one million apprehensions. For the year, apprehensions declined about 8 percent from the FY 1988 total but showed a rising trend beginning in May 1989. Overall, border apprehensions were down some 47 percent from the record level of 1.6 million in FY 1986, a decline that INS attributed to the success of employer sanctions and improved border enforcement as deterrents to illegal entry.

By contrast, in the interior United States, INS special agents apprehended 60,989 illegal aliens, a dramatic increase over the 37,026 apprehensions recorded in FY 1988. In addition, INS completed 30,474 investigations involving criminal aliens and 45 investigations involving criminal organizations. These investigations resulted in the convictions of 65 individuals and the removal of 14,172 criminal aliens from the country.

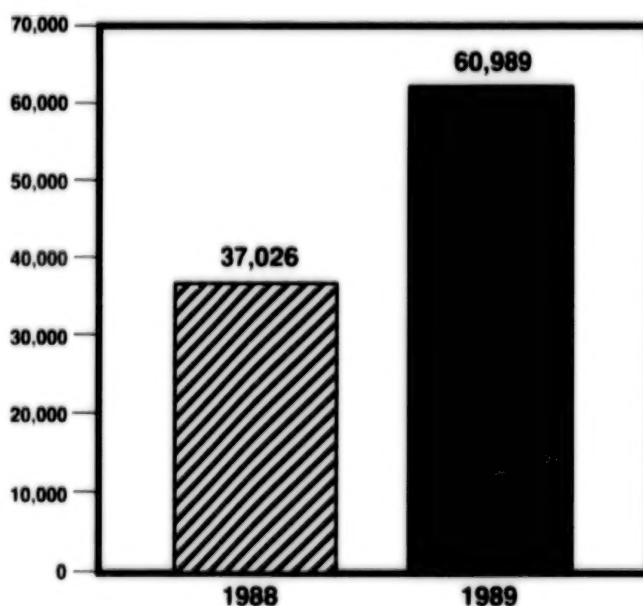
Overall, INS removed some 880,000 deportable aliens during the year, an increase of about 9 percent over removals in FY 1988. As part of the reinstated Migration Agreement between the U.S. and Cuba, INS (in concert with the Civil Division's Office of Immigration Litigation) repatriated 110 Mariel Cubans during the fiscal year.

The INS also expanded anti-fraud initiatives, concentrating on false document providers and facilitators of large-scale fraud schemes which threatened to undermine IRCA programs. Special agents completed 7,924 fraud investigations, of which 3,745 resulted in denial of benefits to

alien applicants and criminal convictions of 505 fraud document vendors and fraud facilitators.

The INS Anti-Smuggling Unit (ASU) concentrated on criminal conspiracy investigations of alien smuggling cartels, completing some 2,600 criminal investigations during the year. The ASU special agents apprehended 2,540 smugglers and presented 2,374 of them to U.S. Attorneys for prosecution. Of that number, 1,702 were convicted with an average sentence of nearly 11 months per conviction.

INS Apprehensions of Illegal Aliens 1988-1989



Source: Immigration and Naturalization Service

Immigration Services

The Department's Community Relations Service (CRS) assists in the resettlement of Cuban and Haitian entrants to the United States under the Refugee Education Assistance Act and Executive Order 12341. In FY 1989, the CRS provided primary and secondary resettlement services to 1,023 Cuban and Haitian entrants. CRS resettlement services were substantially increased this year due to the elevated level of

Haitian migration to the United States, particularly in South Florida, resulting from political turbulence in Haiti. The CRS also outplaced 535 Mariel Cubans paroled for release by the Immigration and Naturalization Service (INS) from INS and Bureau of Prisons detention facilities: 480 through its halfway house program and 85 through its family sponsorship program. The halfway house program serves Mariel Cubans with serious criminal records, lengthy periods of incarceration, and limited job skills. Those with less serious criminal records, shorter periods of incarceration, and higher levels of social functioning and employment skills are eligible for the CRS Family Sponsorship Program.

In February 1989, as a part of the Department of Justice's South Texas Enforcement Plan, CRS was authorized by the Office of the Associate Attorney General to provide emergency medical care, basic physical care and maintenance services to illegal aliens entering the Rio Grande Valley of Texas. Through a Cooperative Agreement with the American Red Cross (ARC), CRS began providing these services to undocumented families and children at shelters located in Brownsville, Texas, on February 17 and in San Benito, Texas, on April 10, 1989.

CRS also provided child protective services to alien minors apprehended by the INS. Under the South Texas Enforcement Plan, CRS opened additional alien minor shelter care facilities in Raymondville and Mission, Texas, in March and June of 1989. CRS also administered comprehensive shelter care programs for minors in Miami, Florida, and Houston and Los Fresnos, Texas.

The public and private partnership between CRS and ARC provided a unique opportunity for the Department to respond to the complex and difficult legal and humanitarian issues associated with the apprehension and processing of undocumented alien families and children. CRS's two shelter complexes in the Rio Grande Valley have the combined capacity to shelter a total population of 917 residents. From February to September 30, 1989, CRS provided services

to 6,219 individuals. Using its network of voluntary agencies, CRS provided shelter care services to the alien population with a substantial savings to the Government.

Soviet Emigration

From 1980 to 1989, the United States admitted nearly one million refugees, including more than 100,000 from the Soviet Union. Approximately 55,000 Soviet refugees were admitted in fiscal years 1988-89, more than in the previous eight years combined. In each of the past two years, the original allocation ceilings for Soviet refugees were raised to accommodate higher numbers of applicants.

At the same time as Soviet emigration was increasing, however, INS adjudications procedures for refugees were being clarified. This review was necessary to more fairly apply the worldwide uniform standard statutory definition of what precisely comprises a "refugee." The definition is "a person who, because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group or political opinion is unable or unwilling to return to, or remain in, his or her country of origin."

In applying this standard fairly and consistently, INS moved toward a more equitable application of existing U.S. refugee law. As a result, all refugee and asylum claims, regardless of nationality or location (i.e., Soviets in Moscow or Rome, Vietnamese in Vietnam, or Nicaraguans and Salvadorans in Texas) are subject to the same adjudications process, the same criteria, and the same procedures. During 1989, the INS implemented procedural changes gradually, phasing in refugee adjudication according to the worldwide uniform standard in Rome in October 1988, in Moscow in January 1989, and in Vietnam in February 1989. To facilitate the processing of applications, INS established a presence in Moscow and began negotiating an agreement for a permanent suboffice there to handle all Soviet applications. Concurrently, Soviet applica-

tion processing in Rome was gradually phased out.

The Departments of Justice and State also proposed legislation for the creation of a "special immigrant category" for persons, such as Soviet emigres, whose entry would serve the national interest. In the interim, the Attorney General extended his parole authority to include the offer of entry to all Soviets found ineligible for admission as refugees.

Adjudications Processing

The Executive Office for Immigration Review (EOIR) reviews cases, appeals, motions and related matters stemming from immigration adjudications. During 1989 EOIR received over 168,000 matters and completed over 144,000. The Office experienced record high workload receipts in all three adjudicating components.

The vast majority of this workload related to cases adjudicated by immigration judges nationwide and virtually all immigration judge cases were placed on active court calendars.

In addition, the Office published 43 precedent-setting decisions dealing with issues of first impression and involving unsettled areas of law. These decisions included significant interpretations of statutory provisions enacted in both the Refugee Act of 1980 and IRCA. During 1989, the Board of Immigration Appeals continued utilization of the Alternate Board Member program, a management initiative which involves the appointment of immigration judges, on a rotational basis, to act as Alternate Board Members. This program allows the consideration of appeals using multiple panels and has resulted in more effective usage of EOIR personnel in the adjudication of appeals.

Chapter VIII: Cooperation and Coordination Federal, State and Local

The Department has continually recognized that a strong national law enforcement strategy can only succeed with the support and cooperation of states and localities. During FY 1989, the Department promoted intergovernmental cooperation in a number of ways - by supporting state and local operational activities, by providing financial assistance and specialized training, and by conducting research.

Operations

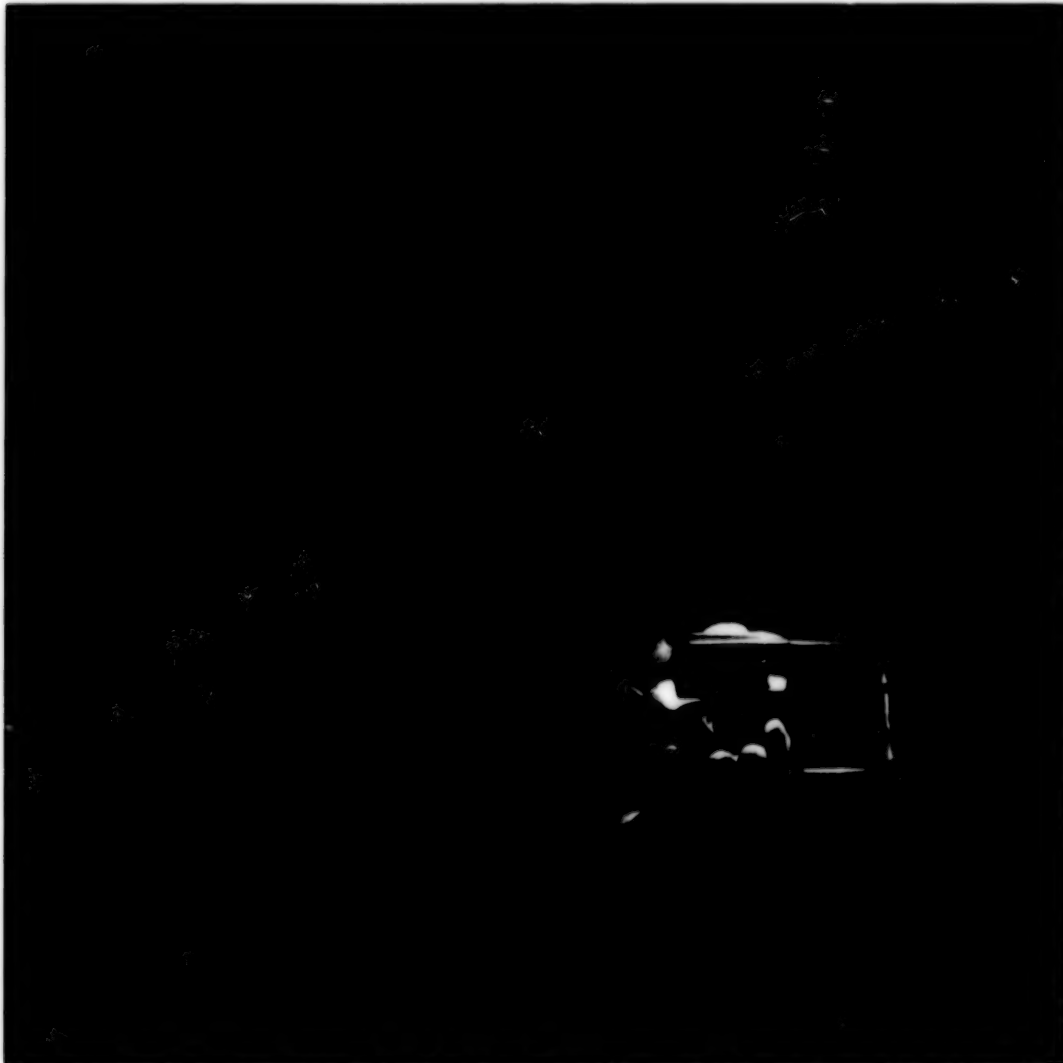
The Department provided operational support for state and local law enforcement by offering specialized services during the past year. Select jurisdictional problems required a major infusion of Federal assistance, both in terms of resources and technical expertise. The Federal Bureau of Investigation (FBI) was particularly involved in providing assistance, specifically:

- During FY 1989, the FBI's Identification Division handled 15,479 cases which involved the examination of 198,484 specimens, resulting in 2,970,926 comparisons. A total of 2,650 suspects and 99 deceased individuals were identified as a result of these comparisons. Additionally, Latent Fingerprint Specialists made 288 court appearances in which 2,894 years in prison terms resulted, in addition to 33 life terms, five death sentences, and fines totaling \$4,977,801.
- During FY 1989, the FBI provided fingerprint identification service on a reimbursable basis to state and local non-criminal agencies and a limited number of Federal agencies. In providing this service, the Identification Division processed over 2.6 million fingerprint cards and name checks, and collected almost \$24 million in user fees for fingerprint services.

- The FBI National Crime Information Center (NCIC) continued to provide vital services to the criminal justice community. In 1989, approximately 900,000 transactions per day were processed by NCIC against a database of more than 8.3 million records with a response time of less than two seconds.
- The FBI Laboratory is the only full-service forensic laboratory in the United States. During FY 1989, the Laboratory Division received 16,232 requests for examinations and performed 955,316 scientific examinations on 135,718 specimens of evidence. Also during 1989 the FBI laboratory became the first laboratory in the United States to incorporate deoxyribonucleic acid (DNA) analysis as a forensics examination technique.

In addition, the FBI was responsible for 11,916 arrests or locates of fugitives during FY 1989. Of this number, 2,591 were attributed to fugitive investigations conducted on behalf of state and local law enforcement agencies regarding individuals who had committed serious felony offenses such as murder, rape, kidnapping, or armed robbery and fled across state lines to avoid prosecution or confinement.

The U.S. Marshals Service worked closely with state and local police agencies, especially in fugitive operations. Marshals and police officers worked shoulder-to-shoulder in tracking and arresting major felons. Taking the lead in fugitive investigations, the Marshals Service encouraged state and local governments to join in organized task force efforts, such as Operation STOP, to decrease the population of fugitive felons in the targeted areas. Long-term benefits occur as the task forces are followed by improved working relationships among the participating agencies.



FBI fingerprint expert using laser technology to examine a revolver for latent prints. Federal Bureau of Investigation Photo

U.S. Attorneys' Offices continued to utilize the Law Enforcement Coordinating Committees (LECC) to enhance coordination and cooperation among Federal, state, and local law enforcement agencies. The LECCs, operating in all 94 Districts, increased production of the newsletter, *Network News*, from bi-monthly to monthly. This newsletter provides significant information to law enforcement officials. As an example of an LECC project the District of Arizona LECC has recently established a Public Integrity Subcommittee to promote the integrity of law enforcement in Arizona by devising a critical screening process to be used prior to hiring personnel

and by providing training courses in ethics and professionalism.

Technical Assistance

A chief mission of the Office of Justice Programs (OJP) and its five Bureaus/Offices is to help foster the cooperation and coordination needed to make the Nation's criminal justice system function more effectively. To that end, OJP was involved in numerous Federal, state, and local programs during FY 1989. OJP's cooperative efforts resulted in increased communication, improved programming, and above all, broad effective coordination among Federal, state, and local agencies. Several noteworthy examples follow:

- The Bureau of Justice Assistance (BJA), in cooperation with the National Highway Traffic Safety Administration, developed a monograph entitled "Drug Recognition Process." This monograph documents the Drug Recognition Process developed by the Los Angeles Police Department in response to the problems law enforcement officers experience in securing evidence that would lead to prosecution and convictions of drug-intoxicated drivers. The process, which has been evaluated and tested by the National Highway Traffic Safety Administration, is a non-intrusive, standardized, and systematic method of examining a person suspected of impairment due to alcohol and/or other drug abuse.
- OJP provided staff support to the Attorney General's Task Force on Felon Identification in Firearms Sales, which produced the *Report to the Attorney General on Systems for Identifying Felons Who Attempt to Purchase Firearms*. This major report examined the advantages and disadvantages of the various systems, associated costs, and relevant legal, policy, and implementation issues.
- Throughout FY 1989, the Office for Victims of Crime's (OVC) National Victims Resource Center (NVRC) continued to provide information and referrals for the public and professionals regarding crime victimization and victim services.
- The Office of Juvenile Justice and Delinquency Prevention (OJJDP) began developing models to help improve the way the juvenile justice system handles victims and witnesses. OJJDP also is working with four jurisdictions to design and test programs that help lessen the court trauma for child witnesses.
- The National Institute of Justice (NIJ) continued to operate the AIDS Clearinghouse as a service to state and local criminal

justice agencies in developing appropriate AIDS-related policies. A new 2-year study of HIV infection rates for newly-arrived inmates in ten state prisons is currently underway, supported in part by \$300,000 transferred to NIJ from the Centers for Disease Control.

Funding

The Department's financial support to state and local government justice agencies is largely funneled through the Office of Justice Programs (OJP). The OJP awarded over \$118 million to 56 states and territories under the Drug Control and System Improvement formula grant program. As a condition of funding, each state, in consultation with local drug enforcement officials, prepared a statewide drug control strategy that set program priorities based on an assessment of state and local needs and resources.

Through its Discretionary Grant Program, OJP provided funds directly to support innovative criminal justice programs that had a high probability of success in other jurisdictions. Twenty-one Organized Crime/Narcotics Trafficking Task Forces, six Crack Task Forces, five Street Sales Enforcement Projects, and the Washington D.C. Metropolitan Drug Task Force received program funds and met with success during the year.

Six Regional Information Sharing System (RISS) projects, covering all 50 states, received \$13 million in FY 1989 to enhance the ability of state and local criminal justice agencies to identify, investigate, and prosecute multi-jurisdictional crime. These projects resulted in 5,687 arrests and over \$450 million in seized assets.

OJP's Public Safety Officers' Benefits Program paid 249 claims in FY 1989 totalling \$22.7 million to the survivors of public safety officers killed in the line of duty.

The OJP's Office of Victims of Crime awarded \$88.4 million during the fiscal year to states



President George Bush signs the 1989 Crime Victims Week Proclamation.

White House Photo

to provide direct services for crime victims, to compensate crime victims for expenses resulting from their victimization, and to support services for victims of Federal crimes.

Training

The Department continued to provide specialized training to law enforcement entities nationwide in a variety of criminal justice areas. During FY 1989 emphasis was placed on the development of practical skills which could be shared among Federal, state, and local law enforcement personnel.

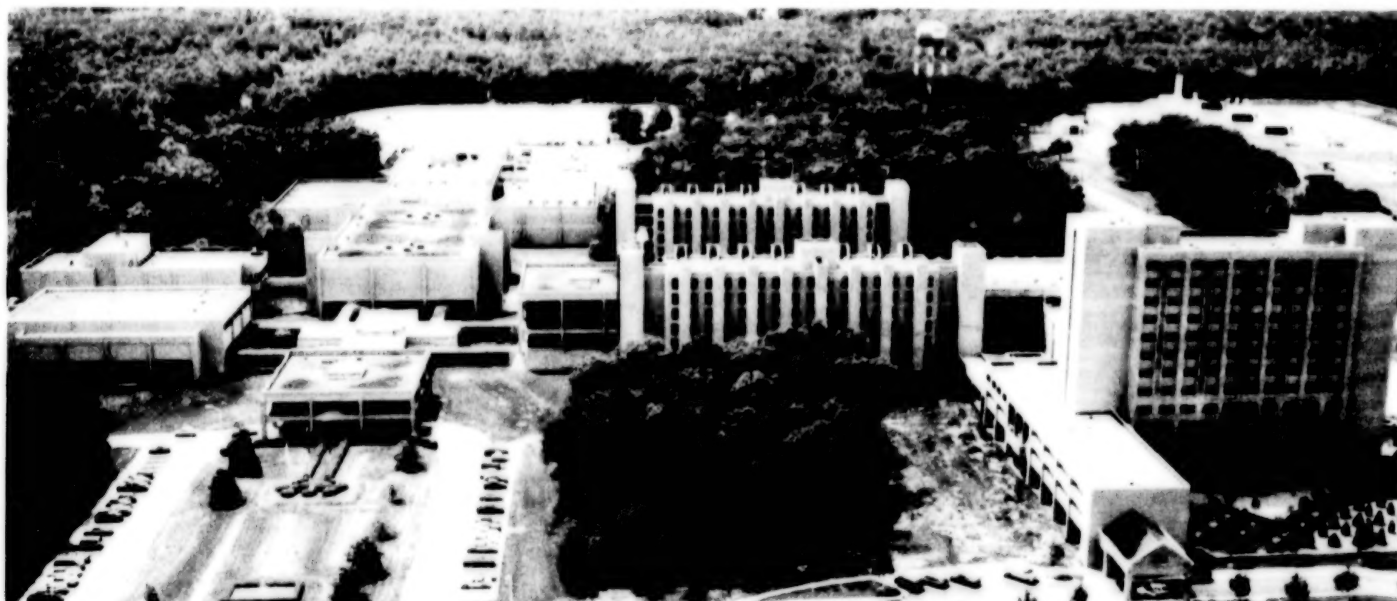
The FBI's Forensic Science Research and Training Center provided specialized forensic science training to Federal, state, and local crime laboratory personnel. During 1989, 1,040 students received this training.

The FBI graduated 812 local law enforcement officers from the FBI National Academy program. More than 3,600 other local officers received training at the National Academy in Quantico, Virginia in a number of different law enforcement courses. Thirty-two senior police

executives attended the FBI's National Executive Institute (NEI), and more than 300 executives attended the annual NEI training program in Sun Valley, Idaho. Fifty-nine chiefs of police attended the FBI's Law Enforcement Executive Development Institute.

FBI instructors participated in 6,171 specialized police schools throughout the United States attended by more than 199,000 officers. In conjunction with the Kansas City Police Department, the FBI Academy produced and presented eight national teleconferences on a wide variety of critical issues in law enforcement. It is estimated the programs were viewed by more than 100,000 persons. The Academy also hosted major national symposia in the areas of DNA and Crime Laboratory Development. In addition, a conference of Caribbean Police Chiefs was held.

The Legal Counsel Division (LCD) of the FBI provided legal instruction to 340 new FBI Special Agents, 120 DEA Basic Agents, 90 DEA Diversion Investigators and 40 DEA Intelligence Analysts. The LCD also provided legal



FBI Academy in Quantico, Virginia.

Federal Bureau of Investigation Photo

training for 800 FBI National Academy attendees, presented particularized quarterly legal training for FBI supervisors and managers, participated in over 100 specialized In-Service training classes at the FBI Academy, conducted four legal In-Service courses of instruction for Special Agent attorneys assigned to field offices and, as part of its National Law Institute program, conducted a specialized course of instruction for 50 attorneys who are advisors to police departments. The LCD also participated in 57 forfeiture training seminars, attended by nearly 5,000 individuals.

The Marshals Service provided specialized law enforcement training at its facilities at Camp Beauregard, Louisiana for Federal, state, local and foreign officials during the year. The courses included such topics as hostage negotiations, tactical operations, weapons retention, and self defense techniques.

Research

The Office of Justice Programs' Bureau of Justice Statistics (BJS) and Bureau of Justice Assistance (BJA) continued to support the Drug



U.S. Marshals Service Training Center at Camp Beauregard, Louisiana.

U.S. Marshals Service Photo

Data Center and Clearinghouse to (1) provide a centralized source of information and data on drugs and crime for use by Federal, state, and local public agencies, and private institutions such as research organizations, universities, and the media; and (2) to increase knowledge about drugs and crime through policy analysis and reports to help state and local officials formulate drug control strategies.

OJP's Drug Use Forecasting System (DUF) operated in 22 major cities across the nation. DUF baseline data from voluntary urinalyses documented widespread drug use among those arrested for serious felonies. Second quarter FY 1989 results from 16 of the Nation's major cities showed that 58 to 88 percent of the men and women arrested tested positive for one or more drugs. The DUF program, which tests for 10 drugs, monitors the emergence of new drugs, such as the smokeable amphetamine known as "Ice."

Drug-testing in criminal justice settings, an essential part of the President's drug control strategy, was supported by OJP during FY 1989. OJP bureaus evaluated drug testing technologies, developed drug testing standards, demonstrated drug-testing programs in correctional settings, and provided technical assistance and training to help states in implementing effective programs to test defendants/offenders for drug use at each stage of the criminal justice system, and to use those results in making release and treatment decisions.

Chapter IX: International Cooperation

The law enforcement mission of the Department today requires increased coordination and cooperation with the international law enforcement community. During the past year the Department continued to strengthen its bonds with law enforcement officials of foreign countries as well as other U.S. Government agencies especially in its efforts to combat international drug trafficking, and money laundering. In carrying out its growing international roles, the Department engaged in the negotiation of cooperative agreements, participated in joint enforcement operations and provided training and assistance.

Treaties and Agreements

The Department participated in negotiations which culminated in the U.S. Senate ratification of the United Nations (Vienna) Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances during FY 1989. Adopted by consensus by over 100 nations in Vienna, Austria on December 20, 1988, the Convention represents an historic landmark in international cooperation on drug enforcement matters. The 34-article Convention promotes global cooperation to address more effectively such international aspects of illicit drug trafficking as mutual legal assistance, seizure of illicit profits, money laundering, extradition, controls on commercial carriers, control of chemicals used to manufacture illicit drugs, law enforcement cooperation, high seas interdiction, free trade zones and free ports, use of the mails, crop eradication/demand reduction, controlled deliveries, and United Nations involvement.

The Department represented the United States in negotiations with Spain and Italy to produce significant commitments of assistance to the Andean nations, especially Colombia. Known as the Andean Strategy, this multi-year effort will involve economic, military, and law enforcement support to these nations. Agreements also in-

cluded several joint investigative operations.

Significant progress was made during the fiscal year to stimulate support within the international law enforcement community to address the aspect of illicit funds derived from narcotics trafficking. The U.S. National Central Bureau (USNCB), as the U.S. representative to the International Criminal Police Organization (INTERPOL), successfully spearheaded a joint initiative between the Departments of Justice and Treasury to introduce a resolution calling for creation of an international working group to study the establishment of an international currency control agency whose functions would be to develop a central source of information and database; to collect and analyze currency transaction reports filed by member countries; and to encourage adoption of uniform cash transaction and money laundering statutes. The working group subsequently developed a resolution calling for the creation of a database at the INTERPOL General Secretariat to serve as a repository for financial information on narcotics transactions and other crimes.

Drug Enforcement Operations

The Department's efforts to curtail the trafficking of illegal drugs focused on the cooperation of law enforcement authorities of foreign host countries as well as United States Federal, state and local enforcement officials. The Department worked closely with Latin American, Caribbean and other foreign nations to stop the flow of illegal drugs to the United States and to eliminate illegal drug operations.

Latin American and Caribbean Activities

In April 1989, the Drug Enforcement Administration (DEA) hosted the International Drug Enforcement Conference (IDEC) in Miami, Florida which was attended by law enforcement representatives from over 20 Latin American countries. At the conference, the

member nations agreed to conduct coordinated drug control operations during the month of October 1989.

DEA provided planning and technical assistance at three follow-up regional planning conferences in Latin America. As a result, DEA developed a drug disruption strategy and regional planning documents for three Latin American regions and the United States and Canada.

Interagency and international cooperation on several international drug control operations met with favorable results. The DEA worked with the Defense and State Departments as well as host country authorities in the drug control operations in Peru, Bolivia, Ecuador, and Colombia in Operation Snowcap. During 1989, Snowcap led to the destruction of 48 cocaine base laboratories and 11 airstrips in Peru's Upper Huallaga Valley, the world's largest coca cultivation area. About 18 metric tons of coca and interim product were seized. In Bolivia, Snowcap agents destroyed 13 cocaine hydrochloride (HCL) laboratories, 15 base labs, and about 5,000 coca paste sites. Also, one metric ton of cocaine HCL and a combined total of eight metric tons of paste and base were seized. In Ecuador, a major entry point for precursor chemicals, waterways are used to ship chemicals to laboratory sites and to cocaine HCL-processing countries. About 12,000 gallons of methyl ethyl ketone were seized, as were lesser quantities of other precursors.

In June 1989, the Colombian National Police (CNP) in conjunction with DEA agents conducted Operation Arco Iris I, immobilizing laboratories of the Medellin cartel. In July 1989, the CNP initiated Arco Iris II, raiding laboratories of the Cali cartel. Total production capability of the labs seized in the Arco Iris operations was nearly 40 metric tons of cocaine.

Operation Bahamas and Turks and Caicos Islands (Operation BAT) involved the Department with the Defense, Treasury and Transportation Departments in cooperation with the government of the Bahamas. The joint U.S./Bahamian effort intended to disrupt the flow of drugs transiting

this area. In FY 1989, Operation BAT was responsible for the seizure of nearly 7,000 kilograms of cocaine and nearly 950 kilograms of marijuana. Eight aircraft and six vessels were also seized.

DEA's Special Enforcement Operation (SEO) Bolivar, targeted against the Medellin cartel, linked 70 active investigations in 44 DEA offices worldwide. This SEO led to the seizure of almost 32 metric tons of cocaine, 1.25 million gallons of precursor chemicals, 97 labs, \$26.1 million in U.S. currency, and the arrest of 570 Medellin cartel traffickers. Operation Calico, an SEO which is targeted against the Cali cartel, comprised 121 investigations in 57 DEA offices. This SEO resulted in the seizure of almost 27 metric tons of cocaine and \$47.9 million in U.S. currency, accompanied by the arrest of 340 Cali cartel members.

Other International Enforcement

International cooperation in drug enforcement operations continued to apply global law enforcement pressure to traffickers of Southeast Asian (SEA), Southwest Asian (SWA), and Mexican drugs. Operation Seaboard, directed at Southeast Asian drug traffic, included a cooperative investigation between the Peoples Republic of China (PRC) and the Drug Enforcement Administration's Hong Kong Country Office which resulted in the seizure in the PRC of 39.5 kilograms of SEA heroin #4 destined for New York. Operation Columbus, focusing on drugs of Mexican origin, was responsible for 429 arrests and the seizure of 130 kilograms of heroin, 5,603 kilograms of cocaine, 19,746 kilograms of marijuana, and overall asset seizures, both in currency and other asset forms, totaling \$11.6 million.

Under DEA's Special Enforcement Program (SEP) Operation Balkan, more than 90 kilograms of Southwest Asian heroin were seized in a multilateral, cooperative effort concentrating on the traditional trafficking route linking Turkey and Western Europe to U.S. markets.

Money Laundering

The covert phase of Operation POLAR CAP, the largest U.S. money laundering case in history, was completed during fiscal year 1989. The operation destroyed a network designed to channel illegal drug money out of the United States, and demonstrated exemplary cooperation among the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), U.S. Attorneys' Offices, the U.S. Customs Service, and the Internal Revenue Service.

Financial intelligence analysts identified an organization responsible for handling \$1.1 billion for the Colombian cartels over a two-year period. The intelligence support provided in POLAR CAP identified \$105 million in seizable assets and seized 10 tons of illegal drugs. The operation discovered that drug money had been laundered by jewelry firms in Los Angeles, New York, Houston, and Miami. A major Panamanian bank, subsequently convicted of violating U.S. money laundering statutes, forfeited \$5 million in substitute assets - the first such action of its kind. The United States also executed its first foreign sharing of assets, providing \$1 million to both Switzerland and Canada because of their extensive cooperation in the operation.

Apprehension and Extradition of Fugitives

The Department is responsible for carrying out extradition and incarceration of persons charged with violating Federal laws. During FY 1989, it continued to coordinate its international fugitive apprehension and extradition activities with affected countries through numerous initiatives.

The U.S. Marshals Service carried out 240 extraditions of individuals from abroad. The Bureau of Prisons continued to exchange prisoners with foreign nations who are signatories to the treaty on International Transfer of Offenders. In 1989, 84 inmates were returned to other countries, and 34 American prisoners

were returned to complete service of their sentence in the United States.

Late in fiscal year 1989, President Virgilio Barco and the Colombian government began an important new drive against drug trafficking by arresting and turning over drug fugitives wanted in the U.S. The prisoners were taken into custody by members of the U.S. Marshals Service's Special Operations Group and flown by Marshals Service aircraft to various locations in the United States where they faced drug trafficking charges. Because of the acts of violence by the drug cartels in Colombia, these extradition operations were handled expeditiously and with extreme security.

The U.S. National Central Bureau (USNCB) provided assistance and coordinated investigations with foreign countries with regard to apprehending international drug fugitives. Its activities included the development of a United States/Canadian Interface which allows broadened tie-in between users of the National Law Enforcement Telecommunications System in the United States and their counterparts in Canada. The expediting of record information exchange will assist in the identification and capture of wanted persons and stolen vehicles.

Also, during the past fiscal year, the USNCB greatly increased the number of requests to INTERPOL headquarters for the issuance of INTERPOL International Wanted Notices on known terrorists and drug traffickers. These Wanted Notices alerted INTERPOL members of outstanding warrants and extradition information on located fugitives.

The Criminal Division arranged for the extradition of several key fugitives from other countries to the United States, including: Raul Vivas, a major money launderer identified in Operation POLAR CAP investigations; ten Colombians involved with Colombian drug organizations; Linda Leary and her two sons, Paul and Richard Heilbrunn, who operated one of the largest drug trafficking operations in Indiana; Adnan Mohammed Khashoggi, returned from Switzerland to stand trial for mail fraud,

obstruction of justice, perjury, and racketeering; Skender Krasniqi, returned to Cook County, Illinois from Sweden for the murder of a deputy sheriff; and Gabriel Antonio Taboada, returned to South Carolina from Switzerland for the importation of over 1,000 pounds of cocaine.

Other International Activities

Other cooperative activities with the worldwide criminal justice community included training assistance, assistance in the establishment of new agreements, and international claims matters.

Several Department components participated with foreign law enforcement professionals in specialized training programs. For example, the Criminal Division provided training and technical assistance directly and through various international agencies including the International Criminal Investigative Assistance Program (ICITAP). The U.S. Marshals Service's training facilities and staff were made available to numerous foreign governments as part of the Marshals Service's continued support of international police professionalism. Under sponsorship of the U.S. Department of State's Anti-Terrorism Assistance Program, Marshals Service instructors provided protective services (personal security) training to 80 Portuguese police officers in Lisbon, Portugal. Similarly, police officers from Colombia, Honduras, the Philippines, and Ecuador were trained in protective services or street survival techniques. The FBI and the DEA also provided specialized training to foreign law enforcement officials.

The Department's Criminal Division negotiated successfully an agreement with Austria under which Austria will accept certain Nazi persecutors being deported by the United States. The Austrian Government had strenuously resisted this proposal despite a 1954 Austrian declaration obligating it to accept return of persons who immigrated to the U.S. from Austria by fraudulent means. The Division provided an increased level of investigative assistance to the newly estab-

lished war crimes prosecution units in Canada and Austria. The Criminal Division obtained the deportation of three Nazi-related persecutors - including one pursuant to the agreement negotiated with Austria and commenced deportation proceedings against another.

During FY 1989, the Foreign Claims Settlement Commission provided technical assistance to the Department of State on a variety of international claims matters. Principal among these was its work in connection with claims negotiations with the Soviet Union. Additionally, the Commission continued to assist the State Department on issues related to the presentation of claims before the Iran-U.S. Claims Tribunal at The Hague, Netherlands. Under the terms, the Commission will have jurisdiction to adjudicate U.S. nationals' property claims against Iran with values of under \$250,000 when an *en bloc* settlement of the claims is eventually concluded between the United States and Iranian governments. Over 2,000 such claims were still on file as of the end of 1989.

Chapter X: Legislative and Regulatory Activities

The Department's legislative and regulatory activities affecting the administration of justice involved working with Congress on new legislation; implementing laws, regulations and guidelines; and conducting ongoing legislative initiatives.

New Legislation Including Appropriations

During the past year, a number of the Department's components were involved in developing new legislation and securing special appropriations to enhance the administration of justice.

Department officials worked closely with Congress on the Anti-Drug Abuse Act. Signed into law in November 1988, this Act made sweeping changes to improve the fight against illegal drugs.

During the year the Civil Division aided in the development of the savings and loan reform legislation enacted by Congress. In particular, it was instrumental in preserving the Attorney General's litigation authority over cases arising under the new law and in securing more extensive civil enforcement authority.

The Criminal Division drafted key provisions of the President's Comprehensive Violent Crime Control Act of 1989 including titles pertaining to firearms, the death penalty, and the exclusionary rule. The Division also contributed to the development of significant legislative initiatives including: the government-wide Ethics Act of 1989; the enforcement provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (the "Savings and Loan Bill"); the Child Protection and Obscenity Enforcement Act of 1988; and an expanded drug "kingpin" death penalty provision.

Other legislative highlights included:

- Public Law 100-453, the Intelligence Authorization Bill signed by the President, September 29, 1989, created a demonstration project on employee mobility and retention for the FBI New York Field Office to help offset the high cost-of-living in the New York City area.
- The FY 1990 appropriation for the U.S. Attorneys included a \$5 million fund to enhance Federal debt collection recoveries during FY 1990 and FY 1991. The appropriation for the fund was sought to supplement existing resources for training debt collection personnel and obtaining debt collection services available to private sector creditors.
- On May 15, 1989 President Bush announced a proposal to amend the Department's FY 1990 Budget by providing an additional \$1.189 billion to further address violent crimes. The Director of the FBI responded to the President's initiative and announced on June 21, 1989 that the Violent Crimes and Major Offenders Program would become the FBI's sixth "National Priority" program.

Implementation of Laws, Regulations and Guidelines

The Department responded to several important legislative changes, particularly in the area of civil rights. The Department's Civil Rights Division is responsible for carrying out the Attorney General's important new enforcement responsibilities under the Fair Housing Amendments Act of 1988, which became effective on March 12, 1989. In pattern and practice suits initiated by the Justice Department, the Division can for the first time seek monetary relief for victims of housing discrimination and civil

penalties in addition to the traditional forms of injunctive relief able to be obtained in the past. The Civil Rights Division also handles all of the Federal court litigation arising out of the new enforcement activities the Amendments authorize the Department of Housing and Urban Development to undertake. In addition to providing these important new enforcement powers to the Federal Government, the Fair Housing Amendments Act also made it unlawful to discriminate against families with children and against persons with handicaps.

As result of the new coverage, fair housing activity increased dramatically. For example, in 1989 prior to the March 12 effective date of the Amendments, six suits were filed under the Fair Housing Act. Since the effective date of the Amendments, more than three times that number (21 cases) have been filed (8 alleging racial discrimination, 11 alleging familial status discrimination and 2 alleging handicap discrimination). These new cases bring the year's total to 27 Fair Housing Act cases in comparison to 13 brought in the previous year.

In other regulatory activity, the Antitrust Division continued to play a key role in the administration and enforcement of the AT&T consent decree. The Division filed briefs on its appeal from the district court's decisions rejecting the Department's recommendation to lift certain line-of-business restrictions imposed by the decree upon the divested Bell Operating Companies. The Division's AT&T Decree Enforcement Task Force continued several major investigations of alleged decree violations. The Division also reviewed and made recommendations to the district court on a variety of waiver requests and participated in judicial proceedings involving construction and application of various decree provisions.

The Antitrust Division opposed approval of an industry agreement before the Interstate Commerce Commission that would have permitted pooling of rail cars by major railroads, resulting in the limitation of antitrust immunity and the disapproval of certain proposed collective con-

duct by railroads. At the Federal Maritime Commission, the Antitrust Division successfully opposed a proposed regulation to provide antitrust immunity for anticompetitive carrier agreements relating to ocean transportation of U.S. cargo between foreign countries. At the Federal Energy Regulatory Commission, the Division intervened in the Southern California Edison/San Diego Gas & Electric merger proceeding and has monitored the factual development of several competition issues related to this matter, chief among them an issue of possible regulatory evasion. The Department also intervened in several natural gas pipeline construction permit proceedings.

The Criminal Division drafted directions for prosecutors in handling cases backlogged for sentencing until the new guidelines sentencing system was upheld in *United States v. Mistretta*; commented on several hundred sentencing guideline amendments published by the Sentencing Commission; and worked closely with the Commission in several other areas. The Criminal Division also prepared draft organizational sentencing guidelines that were submitted to the Sentencing Commission and became the basis for the Commission's current organizational sentencing proposal.

Ongoing Legislative Initiatives

On several fronts the Department worked on a number of legislative initiatives that would lead to further improvements in the administration of justice. For example, the Antitrust Division urged Congress to enact a ten-fold increase to \$10 million in the maximum fine for corporate criminal violations of the antitrust laws. The House of Representatives passed such legislation, which was pending in the Senate at the end of the year. Among other legislative efforts to improve the antitrust laws, the Division sought enactment of a treble-damage remedy for the United States when it is injured by price fixing or bid rigging in government procurement.

Other Departmental components were also deeply involved with ongoing legislative initiatives. The Land and Natural Resources Division (LDN) participated during the first session of the 101st Congress, along with the Environmental Protection Agency (EPA) and other interested Federal agencies, in reauthorization of the Clean Air Act. LDN attorneys helped to draft the Administration's reauthorization bill, particularly the title providing the Federal Government with enhanced civil and criminal enforcement, and the reauthorization process. The LDN also drafted amendments to the Ocean Dumping Ban Act which will enhance our ability to end ocean pollution.

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Chapter XI: Management Improvements

The Department of Justice is committed to providing quality services to the American public as efficiently and effectively as possible. To meet this goal, the Department continues to undertake a wide variety of management improvement initiatives.

Quality and Productivity

The Department continued to implement quality and productivity improvement initiatives during FY 1989. Participants in the Department's initiatives have witnessed decreased costs while meeting or exceeding their productivity and quality goals. The following are highlights of selected Department component efforts in this area.

Service of Process

The U.S. Marshals Service has been an active participant in the Department's Management and Productivity Improvement Program. In FY 1987, the Marshals Service submitted an initiative on the National Prisoner Transportation System (NPTS) which focused on using productivity planning and good management practices. In FY 1988 and FY 1989, the productivity initiative focused on a highly decentralized service of process program. The third productivity initiative, on Prisoner Receipt and Processing, will go into effect in FY 1990, with two more initiatives to be implemented in FY 1991.

In addition to the formal initiatives of the Productivity Improvement Program, the Marshals Service worked to develop a comprehensive approach to quality management. Program managers were encouraged to think in terms of customer orientation to determine the best ways to meet the needs of the Marshals Services' clients, such as Judges and U.S. Attorneys.

Under the Total Quality Management System, the Marshals Service developed the Offender Based Information System Project. The operational divisions worked together to integrate

their plans for system development and enhancements. The results are the beginning stages of an integrated system that will meet the needs of employees and managers at both the district and headquarters levels.

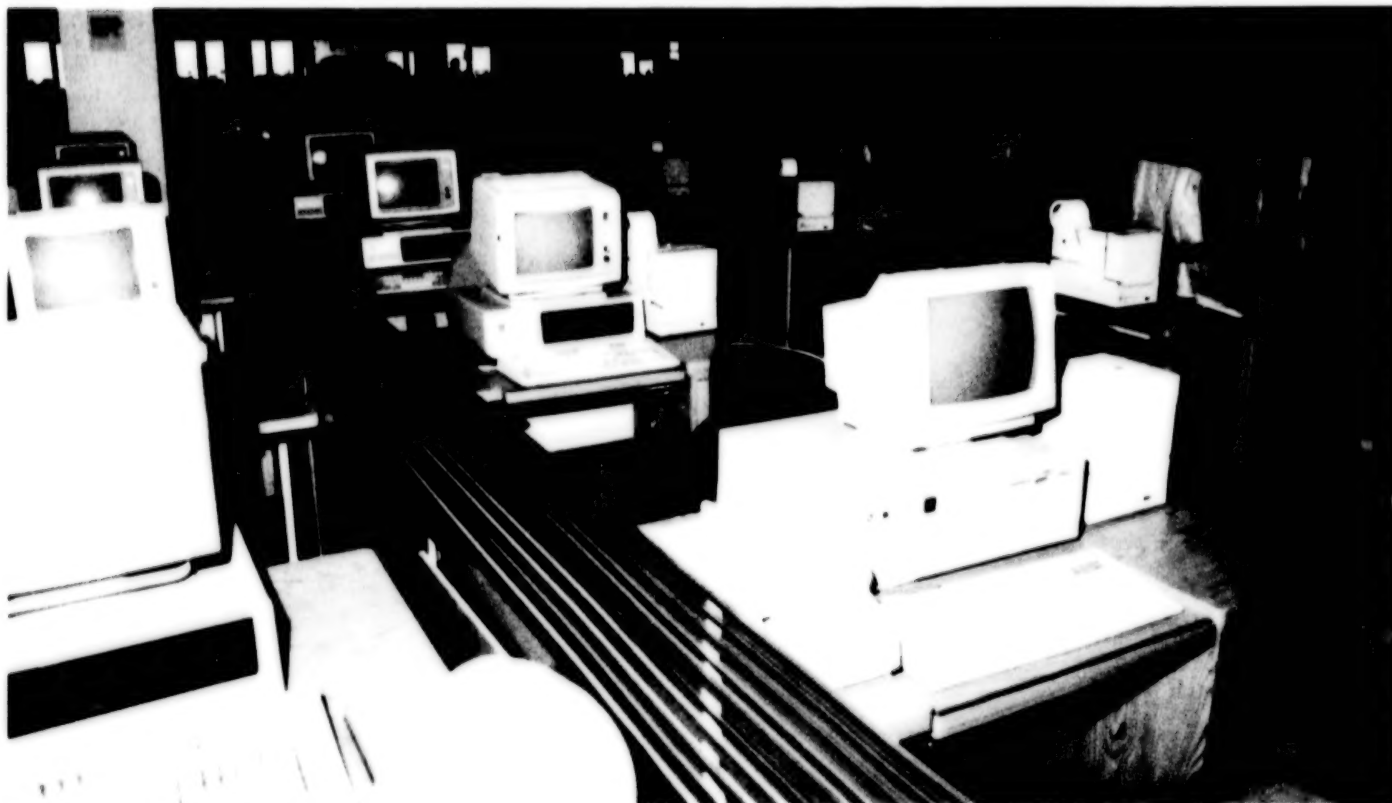
Forensic Services and Fingerprint Operations

The Federal Bureau of Investigation (FBI) built on productivity initiatives in two major areas: forensic services and fingerprint operations. Through the use of enhanced automation systems the FBI's Laboratory Division was able to enhance forensic services and improve efficiency and effectiveness in conducting over 955,000 scientific examinations on 135,000 specimens of evidence during FY 1989.

Through enhancements to its automated systems and the development of an automated fingerprint card system, the FBI's Identification Division continued improvements in fingerprint card processing. It handled 15,479 cases which involved the examination of 198,484 specimens, resulting in nearly 3 million comparisons. Also, the FBI provided identification services on a reimbursable basis to state and local non-criminal justice agencies and a limited number of Federal agencies. In providing these services, the Identification Division collected almost \$24 million.

Other Agency Management Improvements

- *Bureau of Prisons (BOP)*. The BOP expanded its Program Review Division in FY 1989, thereby reinforcing its principal function of integrating audit information with other management data. This Division facilitates proactive management analysis, and aids appropriate program and policy development. The Division identifies exemplary programs, and relies heavily on the microcomputer-based Key Indicator System.



FBI's automated fingerprint card workstations.

Federal Bureau of Investigation Photo

The BOP expanded its National Recruiting Office, to oversee and design strategies to attract high-quality candidates from the ever-shrinking applicant pool. Contacts were made at conferences, conventions, and on targeted recruiting trips. The Bureau continued its aggressive recruitment campaign for health care professionals.

The BOP expanded the agency Wellness Program for both staff and inmates, with emphases on nutrition, physical fitness, psychological well-being, and smoke-free environments. BOP professional staff provided counseling and referral to almost 2,000 employees through the Employee Assistance Program.

The BOP continued to address child care issues by examining the practices of other Government agencies and the private sector, soliciting input from wardens, and activating

child care programs for employees in some locations.

During 1989, the BOP's Leadership Forum program continued to bring highly talented mid-level managers to Washington, D.C., in order to expose them to the Central Office environment and the issues dealt with at that level of the organization. Prominent speakers from the BOP, other Justice Department and Government agencies, and Congress participated in the forums.

- *Federal Bureau of Investigation (FBI).* The Strategic Information Operations Center (SIOC) became operational in January 1989. SIOC provides informational and operational support to FBI executives and Supervisory Special Agent personnel during both crisis and noncrisis situations through the management, operation and maintenance of the Criminal Investigative

Division Duty Office, the Operations Center and the Secure Video Teleconferencing System.

At the request of the Office of Management and Budget (OMB), feasibility studies were completed on the construction of the FBI Headquarters Mid-Atlantic Regional Computer Support Center (HQMAR) and the expansion of the two existing Regional Computer Support Centers. Construction of the HQMAR is currently pending approval from the OMB.

The Audit Unit of the FBI's Inspection Division has initiated an audit of the FBI's General Ledger. The General Ledger accounts for and documents the assets, liabilities and expenditure of the FBI's budget of over one and one-half billion dollars. The General Ledger audit will improve the quality, accuracy and integrity of financial reporting and enable FBI managers to utilize resources more efficiently and effectively.

- *Drug Enforcement Administration (DEA).* During FY 1989, DEA completed the construction of a new facility for the El Paso Intelligence Center (EPIC) at Fort Bliss, Texas. The Diplomatic Security Service of the State Department, the eleventh Federal agency to participate, joined DEA at the new facility. The relocation of DEA Headquarters personnel to Lincoln Place, a new Government-leased facility in Arlington, Virginia, continued. When completed in December 1989, this effort culminated in the consolidation of six satellite locations in one central facility. In its efforts to provide a state-of-the-art complex which meets the special needs of DEA, UNICOR systems furniture was purchased through the Federal Prisons Industries. This enabled DEA to achieve an average utilization rate of less than 135 square feet per employee. The new headquarters facility houses 1,275 employees.

Automation Efforts

The Department continued to apply the benefits of advanced technology to its information processing and telecommunications functions during FY 1989. Although automation

progress was achieved by all Departmental components during the fiscal year, the sections below provide representative samples of the types and magnitude of the Department's automation-related advancements.

Legal Activities Automation Progress - PROJECT EAGLE

During FY 1989, the Department awarded a contract that will commence full office automation in the U.S. Attorneys' offices during FY 1990 and have all offices automated by spring of 1991. The new office automation system, known as Project EAGLE, will be integrated into a network through minicomputers. All users will have local access to word processing, calendaring, electronic mail, printing, and to communications options which include access to legal research databases such as JURIS, LEXIS, and WESTLAW. It will also allow for telecommunications links between the Department components.

As users of the EAGLE system, attorneys can access legal information databases and prepare legal briefs from their individual personal computer terminals. Upon completion the briefs can be transmitted via telecommunications capabilities to any other system user for comment or approval, and returned to the originator for edits and printing.

Investigative Support Systems

The Federal Bureau of Investigation's (FBI) varied mission requires a broad range of technically-advanced automated data processing and telecommunications systems to support both its investigative and administrative functions. The FBI's Technical Services Division (TSD) is responsible for technical operations and automated data processing and telecommunications. During FY 1989, the TSD continued its work with the Institute for Defense Analyses, a Federal contract research center, to implement knowledge-based expert systems. Prototypes of the FBI's counterterrorism and labor racketeering expert systems, OBR III and BIG FLOYD

respectively, were deployed in an FBI top-twelve field office. The final production of the OBR III expert system was completed and readied for deployment in the FBI's Chicago Field Office. Also, the TSD acquired four SUN workstations to support the deployment of expert systems in the Chicago, New York, and Detroit and FBI Headquarters offices.

DEA's Office Automation System provides ADP support to DEA's law enforcement operations; of the 2,029 workstations scheduled for installation during Phase II, 955 (47%) have been installed. This includes a complete replacement of DEA's dedicated domestic secure telecommunications system.

In September 1989, the DEA Administrator approved changes to the Geographic Drug Enforcement Program (G-DEP), which is one of DEA's major systems for measuring its enforcement activities. Most of the changes were made in classifying drug law violators, i.e., measuring their relative importance to the traffic in a particular drug and in relation to current trafficking patterns.

Expanding Immigration Database

The Immigration and Naturalization Service (INS) enhanced its major databases to accommodate the evergrowing amounts of immigration data, especially in the following systems:

- The Central Index System (CIS), the primary repository of information on legal resident aliens, now contains over 200 million database records on approximately 30 million persons. As part of its ongoing efforts to reconcile and reorganize this database, INS has made some five million corrections to upgrade data accuracy to 90 percent.
- The Nonimmigrant Information System (NIIS), for non-immigrant arrival and departure information at the ports of entry, has grown to more than 100 million records. NIIS receives over 200,000 new input records each day. Recent enhancements

include subsystems to accommodate travelers from the 14 countries participating in the Visa Waiver Pilot Program.

- The Student/Schools System (STSC), which contains more than 1.7 million student records and 59,000 school records, was updated to remove inactive students, to reduce redundant records, and to delete invalid data.
- The National Automated Immigration Look-out System (NAILS) maintains records of 90,000 individuals who may be excludable from the U.S. NAILS was recently expanded to include 600,000 visas which have been lost or stolen and 500,000 wanted-card records, with copies provided for use in the Interagency Border Inspection System (IBIS).
- The Legalization Adjustment Processing System (LAPS), whose primary function is to provide case tracking support to the INS Regional Processing Facilities and Legalization Offices, contains data on approximately three million aliens who applied for legalization under the Immigration Reform and Control Act of 1986. Most of these applicants are expected also to apply for permanent residence. To handle the large volume of applications while minimizing interactive data entry, several electronic interfaces between LAPS and other INS systems were implemented during FY 1989.

Debt Collection

The problem of how to reduce the tremendous amount of delinquent debt owed to the Federal Government was addressed by the Department in FY 1989. The Department collected millions of dollars of this debt through litigation efforts. Litigation was sought only after other possible collection methods were exhausted. Once legal judgments were made against delinquent debtors, the Department began the collection process.

The Department assigned the U.S. Attorneys' Offices with the tasks of litigation and collection of outstanding debts and fines owed the Federal Government. The types of debts which the Department focused on were: (1) a variety of delinquent Federal loans, and civil fines in connection with those loans; and, (2) criminal fines, assessments, and restitution levied in Federal cases.

In FY 1989, the Federal Debt Collection Procedures Act, S.84, passed in the Senate and was pending in the House of Representatives. This legislation was drafted by U.S. Attorneys to create a uniform Federal law which would enhance the collection of civil debts and criminal fines owed to the U.S. Currently, the U.S. Attorneys' debt collection efforts must be conducted under the laws of the various states and territories which prevents nationwide training, the use of uniform forms, and the implementation of nationwide policies and procedures.

The Private Counsel Pilot Program created by the Federal Debt Recovery Act enlists the aid of private attorneys in enforcing the collection of debts owed to the U.S. To date, five U.S. Attorneys' Offices are participating in this program.

The U.S. Attorneys' Criminal Fine Payment Incentive Program actively pursued virtually every Federal criminal fine debtor in the country, and was the first step in enhanced management of the criminal fine inventory. Through distribution of the *Prosecutor's Guide to Criminal Fines and Restitution*, all criminal prosecutors were alerted to their role in ensuring that criminal fines are both collected and collectible.

The Civil Division won major money recoveries for the U.S. government during the fiscal year. The Division won judgments and recoveries that amounted to \$521 million, and its collections totalled \$362 million. Half of the awards, \$260 million, were won in the Division's fraud cases. This is an \$84 million increase (48%) over the 1988 fraud awards of \$176 million. The Division's collections of \$362 million represented a record high mark. Of this amount, the Division deposited \$295 million

directly into the Treasury. The remaining \$67 million was collected through direct payments to client Federal agencies, the transfer of rights or services to such agencies, and by offsetting amounts that the agencies otherwise owed to debtors.

Other Department components similarly were successful in addressing debt collection management issues. The Immigration and Naturalization Service (INS) opened a central National Fines Office to concentrate on the evaluation of possible violations of the Immigration and Nationality Act and to levy fines as appropriate. During its first year of operation, this office reviewed 14,738 possible violations and levied 4,270 fines amounting to more than \$6.3 million. In addition, the Bureau of Prisons' Inmate Financial Responsibility program continued in cooperation with the Administrative Office of the U.S. Courts. During FY 1989, the Financial Responsibility program resulted in over 12,000 inmates satisfying their legal obligations to the Government, and the collection of over \$16 million in fines, court costs and other obligations.

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